

IN THE UNITED STATES DISTRICT COURT FOR THE  
EASTERN DISTRICT OF VIRGINIA  
Alexandria Division

PREGIS CORPORATION,	)	
	)	
Plaintiff,	)	Civil No. 09-467
	)	
VS.	)	January 22, 2010
	)	
JAMES J. DOLL, et al.,	)	
	)	
Defendants.	)	
_____	)	

REPORTER'S TRANSCRIPT

MOTIONS HEARING

BEFORE: THE HONORABLE GERALD BRUCE LEE  
UNITED STATES DISTRICT JUDGE

APPEARANCES:

FOR THE PLAINTIFF: FRIED FRANK  
BY: JAMES W. DABNEY, ESQ.  
TOMMY BEAUDREAU, ESQ.  
HENRY LEBOWITZ, ESQ.

FOR THE DEFENDANT: BANNER & WITCOFF  
BY: BRADLEY WRIGHT, ESQ.  
ROBERT ALTHERR, ESQ.  
CHRISTOPHER ROTH, ESQ.  
JOSEPH POTENZA, ESQ.

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OFFICIAL COURT REPORTER: RENECIA A. WILSON, RMR, CRR  
U.S. District Court  
401 Courthouse Square, 5th Floor  
Alexandria, VA 22314

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1 (Thereupon, the following was heard in open  
2 court at 10:57 a.m.)

10:57:00 3 THE CLERK: 1:09 civil 467, Pregis  
10:57:03 4 Corporation versus John J. Doll, et al.

10:57:17 5 Would counsel come forward and please state  
10:57:19 6 your names for the record.

10:57:27 7 MR. DABNEY: James Dabney, Fried Frank,  
10:57:30 8 counsel for the plaintiff, Pregis Corporation.

10:57:34 9 MR. BEAUDREAU: Tommy Beaudreau, Fried  
10:57:36 10 Frank, counsel for Pregis.

10:57:38 11 THE COURT: Good morning.

10:57:40 12 MR. LEBOWITZ: Henry Lebowitz, counsel for  
10:57:43 13 Pregis.

10:57:44 14 THE COURT: Good morning.

10:57:45 15 MR. WRIGHT: Bradley Wright with Banner &  
10:57:49 16 Witcoff, Washington D.C. for defendant Free-Flow  
10:57:54 17 Packaging.

10:57:56 18 MR. ALTHERR: Robert Altherr on behalf of  
10:57:59 19 Free-Flow Packaging.

10:58:01 20 THE COURT: Good morning, Mr. Altherr.

10:58:03 21 MR. POTENZA: Joseph Potenza on behalf of  
10:58:06 22 Free-Flow Packaging, Banner & Witcoff.

10:58:09 23 THE COURT: Good morning.

10:58:11 24 MR. ROTH: Christopher Roth on behalf of  
10:58:13 25 Free-Flow Packaging.

10:58:15 1 THE COURT: Good morning.

10:58:18 2 Counsel, I -- there's several motions before  
10:58:21 3 the Court. I don't know if you all have discussed any  
10:58:23 4 particular order, but I'm prepared to take up the  
10:58:27 5 motions in the order in which they're listed on the  
10:58:29 6 docket.

10:58:29 7 The first one will be the motion to strike  
10:58:32 8 jury demand followed by Pregis.

10:58:40 9 MR. DABNEY: Thank you, Your Honor. With  
10:58:45 10 regard to the -- I'm going to take up the motion to  
10:58:48 11 strike jury demand.

10:58:49 12 The position of Pregis on this is fairly  
10:58:53 13 well set out in our briefs. The --

10:58:56 14 THE COURT: It is, but you didn't tell me  
10:58:57 15 about the other cases. That bothered me.

10:59:00 16 MR. DABNEY: The other --

10:59:01 17 THE COURT: You didn't tell me about the  
10:59:02 18 *Connell versus Sears* case. You didn't tell me about  
10:59:07 19 *Railroad Dynamics*. Why not?

10:59:09 20 MR. DABNEY: Your Honor, none of those cases  
10:59:11 21 involve motions to strike jury demands.

10:59:13 22 What the Federal Circuit held in those cases  
10:59:15 23 was that it was not error in the absence of a motion to  
10:59:18 24 strike jury demand for a jury to render a verdict on the  
10:59:23 25 legal question of obviousness.

10:59:26 1 Those cases do not address the question  
10:59:28 2 that's before the Court. And if a party fails to raise  
10:59:31 3 an objection in the trial court, well, then of course,  
10:59:33 4 they'll waive their rights on that issue.

10:59:35 5 But, this motion that we have filed raises  
10:59:38 6 the question whether under the Seventh Amendment there  
10:59:40 7 is a right to trial by jury on the legal question of  
10:59:45 8 whether or not a patent decision by the government is a  
10:59:49 9 valid agency action or not.

10:59:51 10 We believe that the Supreme Court has  
10:59:53 11 clearly held that this is a question of law and that  
10:59:56 12 it -- there is simply not a right to trial by jury on  
10:59:59 13 that legal question. It's really as straightforward as  
11:00:02 14 that.

11:00:02 15 THE COURT: All right.

11:00:05 16 MR. DABNEY: So, our position, very simply  
11:00:07 17 is that this appears to be a question that the Federal  
11:00:13 18 Circuit has never addressed. There is no Federal  
11:00:16 19 Circuit precedent that raises -- that considers whether  
11:00:19 20 as a constitutional law matter, the Seventh Amendment  
11:00:23 21 creates a right to trial by jury on the legal question  
11:00:26 22 of whether or not a claimed invention satisfies the  
11:00:30 23 statutory conditions for patentability.

11:00:32 24 THE COURT: So then you're the first lawyer  
11:00:34 25 in America to identify this motion because there's a not

11:00:37 1 a single district court case or circuit court case that  
11:00:39 2 has adopted your position; is that right?

11:00:41 3 MR. DABNEY: I don't know the answer to the  
11:00:43 4 question Your Honor has raised. I will say that --

11:00:46 5 THE COURT: Can you describe for me a  
11:00:48 6 district court or a circuit court case where a trial  
11:00:51 7 judge has granted a motion like yours?

11:00:55 8 MR. DABNEY: I cannot identify such a case.  
11:00:57 9 I do not know whether such a motion as this has been  
11:01:01 10 previously filed, except in one case in which I've been  
11:01:04 11 involved in.

11:01:05 12 THE COURT: All right.

11:01:07 13 MR. DABNEY: So, it is --

11:01:08 14 THE COURT: I'll be breaking new ground?

11:01:10 15 MR. DABNEY: Your Honor --

11:01:11 16 THE COURT: District judges are reluctant to  
11:01:13 17 be first. You know that.

11:01:15 18 MR. DABNEY: Your Honor, I don't -- what I  
11:01:17 19 can say is there is not any precedent either way.

11:01:24 20 The Supreme Court of the United States, when  
11:01:27 21 it held in *Graham* that the ultimate question of  
11:01:30 22 patentability is one of law and when the Supreme Court  
11:01:34 23 in *KSR* just two years ago held that the ultimate  
11:01:39 24 determination of obviousness, the ultimate judgment of  
11:01:43 25 obviousness is a legal determination, those

11:01:45 1 characterizations as legal are quite important because  
11:01:48 2 they naturally suggest, well, since this proceeding  
11:01:52 3 involves a form of judicial review of agency action.  
11:01:56 4 This is not a slip and fall case in which a jury is  
11:01:59 5 asked to decide whether or not under commonly recognized  
11:02:02 6 standards of care the defendant breached the duty of  
11:02:05 7 care owed to the plaintiff. That's not what we have  
11:02:08 8 here.

11:02:08 9 What we have here is a question whether or  
11:02:10 10 not a government agency action was valid.

11:02:13 11 And, under standard principles of  
11:02:16 12 administrative law, under Supreme Court precedent  
11:02:20 13 dealing with patent cases it is for judges to decide  
11:02:22 14 whether the government has acted lawfully in taking  
11:02:25 15 agency action. That is what clearly distinguishes our  
11:02:28 16 case from negligence and other kinds of tort cases that  
11:02:33 17 have been cited as analogies in the past.

11:02:36 18 THE COURT: All right.

11:02:37 19 MR. DABNEY: So I'm not aware of any case  
11:02:39 20 that has considered the question Rule 39(a) motion is  
11:02:43 21 there a right to trial by jury on these legal questions  
11:02:46 22 which everybody agrees are legal.

11:02:48 23 And, if you don't raise the objection, well  
11:02:50 24 then, you can't comply.

11:02:53 25 THE COURT: All right. Well, I think I

11:02:54 1 understand your position. Thank you very much.

11:02:56 2 MR. DABNEY: Thank you.

11:02:58 3 MR. WRIGHT: Good morning, Your Honor,

11:03:02 4 Bradley Wright for defendant Free-Flow Packaging.

11:03:06 5 I'd like to make three quick points before

11:03:09 6 addressing Mr. Dabney's position.

11:03:11 7 The first, as the Court has acknowledged,

11:03:13 8 this would be the first Court ever to rule on this novel

11:03:16 9 theory that Rule 39 somehow can be used to take away the

11:03:19 10 right to trial on jury for obviousness.

11:03:23 11 Secondly, Pregis has not cited a single case

11:03:25 12 where Rule 39 has been employed in the manner it

11:03:28 13 suggested here, that you take a question of obviousness

11:03:31 14 and split it into its factual components and legal

11:03:35 15 conclusion and submit one to the jury and the other to

11:03:37 16 the judge.

11:03:38 17 But finally and most importantly and which

11:03:40 18 is dispositive of this case is in order to win under its

11:03:43 19 theory, under Rule 39, this Court must first find that

11:03:47 20 there is no right to trial by jury on the question of

11:03:51 21 obviousness.

11:03:52 22 I'd like to hand out for the Court and Mr.

11:03:57 23 Dabney a document. Mr. Dabney mentioned that he had

11:04:01 24 been involved in one other case. What he didn't tell

11:04:03 25 you is he filed this petition for certiorari in the



11:04:07 1 Supreme Court last August. The name of the case is  
11:04:10 2 *Madella* (phonetics) *versus Kinetic Concepts*, James  
11:04:14 3 Dabney, counsel of record.

11:04:15 4 This case, Your Honor, is a -- was a patent  
11:04:19 5 case. It involved the question of obviousness, and Mr.  
11:04:22 6 Dabney argued that the jury should not have been  
11:04:25 7 entitled to consider the question of obviousness. And  
11:04:29 8 I'll read you -- this is Mr. Dabney speaking about  
11:04:31 9 Federal Circuit precedent.

11:04:34 10 "The question presented under Federal  
11:04:35 11 Circuit precedent, however, a person accused of patent  
11:04:38 12 infringement has no right to independent judicial as  
11:04:41 13 distinct from lay jury determination of obviousness.

11:04:45 14 "The Federal Circuit has held that a jury  
11:04:48 15 may render a verdict on the ultimate issue of  
11:04:50 16 obviousness and the Court review of such verdict is  
11:04:52 17 limited".

11:04:53 18 If you read the last sentence of the  
11:04:54 19 question presented, "Federal Circuit precedent on this  
11:04:59 20 point conflicts with two en banc decision of regional  
11:05:02 21 circuit court".

11:05:03 22 Mr. Dabney knows what the Federal Circuit  
11:05:05 23 precedent is. He argues that it should be overturned,  
11:05:08 24 and this Court doesn't have, of course, the authority to  
11:05:10 25 do that.

11:05:10 1 So, under Rule 39, as Mr. Dabney has  
11:05:14 2 acknowledged, controlling precedent is there is in fact  
11:05:18 3 the right to a jury trial on the question of  
11:05:21 4 obviousness. We've cited the *Railroad Dynamics* case for  
11:05:23 5 that proposition and Pregis has not filed another case.

11:05:28 6 On the second point because they can't find  
11:05:30 7 a case exactly on point, Mr. Dabney says, well, there's  
11:05:34 8 really two sub questions. One, obviousness is a legal  
11:05:37 9 issue. And number two, jury's can't decide legal  
11:05:42 10 issues.

11:05:42 11 Well, he's wrong on both points. First of  
11:05:44 12 all, while it's true that the ultimate question of  
11:05:47 13 obviousness is a legal issue, there are a number of  
11:05:49 14 factual inquiries that are bound up with that.

11:05:51 15 And the Supreme Court in *Markman* expressly  
11:05:53 16 referenced this problem on the question of claim  
11:05:57 17 construction. And they say that it's a better practice  
11:05:59 18 when deciding whether to submit an issue to the jury to  
11:06:02 19 look at historical context, including what happened in  
11:06:06 20 England in 1791, what was the practice in England. And  
11:06:10 21 if there's no clear analogy, then look for modern  
11:06:14 22 precedent.

11:06:14 23 We set out in our briefs the position that  
11:06:16 24 both in England juries decided questions of validity of  
11:06:21 25 patents. And in modern precedent, the question of

11:06:25 1 obviousness has been submitted to juries. So under that  
11:06:28 2 framework, Pregis's theory can be rejected.

11:06:31 3 Secondly, the Federal Circuit itself has  
11:06:34 4 said that juries can decide legal issues when they are  
11:06:37 5 properly instructed.

11:06:38 6 So, even though the ultimate question of  
11:06:40 7 obviousness is a legal question, that doesn't apply  
11:06:44 8 here.

11:06:44 9 And finally, a comment on the use of special  
11:06:48 10 verdict forms. This Court has broad discretion for  
11:06:50 11 deciding how to structure the jury verdict forms.  
11:06:55 12 Pregis is inappropriately tried to deprive the Court of  
11:06:58 13 that power and force the Court to adopt a rigid  
11:07:01 14 approach.

11:07:01 15 I think the -- if you look at page six of  
11:07:04 16 Pregis's own reply brief where it says a jury in this  
11:07:07 17 case could find hundreds if not thousands of different  
11:07:10 18 combinations of facts as proved or not proved and could  
11:07:12 19 assign a theoretically infinite number of weights to  
11:07:15 20 those factual predicates.

11:07:16 21 This just illustrates how difficult it would  
11:07:19 22 be for this Court to construct a jury verdict form that  
11:07:22 23 would satisfy Pregis.

11:07:23 24 And one final point, Mr. Dabney keeps  
11:07:26 25 bringing up agency action. As this Court has already

11:07:29 1 recognized that APA claim has been dismissed out of this  
11:07:31 2 case and we've moved for a motion in limine to exclude  
11:07:35 3 reference to unlawful agency action. The jury is not  
11:07:38 4 going to be reviewing agency action. The jury's going  
11:07:40 5 to be reviewing the validity of the patent.

11:07:43 6 And so, any reference to agency action is  
11:07:45 7 simply irrelevant to this case.

11:07:47 8 THE COURT: Thank you.

11:07:48 9 MR. WRIGHT: Thank you.

11:07:53 10 MR. DABNEY: Your Honor, I am quite familiar  
11:07:57 11 with the *Madella* case. The Supreme Court denied  
11:08:01 12 certiorari in the *Madella* case after the respondents  
11:08:07 13 strenuously argued that the issue hadn't properly been  
11:08:10 14 raised in the trial court.

11:08:11 15 This was a case in which the defendant did  
11:08:15 16 not object to the jury rendering a verdict on this. And  
11:08:19 17 then after it had lost then asked for the trial court to  
11:08:25 18 set aside the jury verdict.

11:08:27 19 So, there's no inconsistencies between the  
11:08:30 20 position that we're taking in this case and the position  
11:08:32 21 that was taken in the Supreme Court of the United States  
11:08:34 22 in the *Madella* case.

11:08:35 23 THE COURT: All right.

11:08:38 24 MR. DABNEY: And I can respond to each of  
11:08:40 25 the points that have been raised.

11:08:41 1 THE COURT: Well, I've given you all a  
11:08:43 2 chance to brief the matter, and I think you have made a  
11:08:45 3 sufficient record.

11:08:46 4 MR. DABNEY: Thank you.

11:08:47 5 THE COURT: I do believe that. All right.  
11:08:48 6 Thank you.

11:08:51 7 This matter is before the Court on the  
11:08:54 8 motion made by Pregis to strike the jury demand in part.  
11:09:01 9 The question presented is whether or not a jury may  
11:09:04 10 consider the validity of a patent claim as a mix  
11:09:11 11 question of fact and law in the trial.

11:09:13 12 It seems to me that the jury, the right to  
11:09:16 13 jury trial under the Seventh Amendment would encompass  
11:09:20 14 the jury being able to hear and make a judgment about  
11:09:24 15 whether or not the patent here was obvious. And it  
11:09:32 16 would follow that if it's obvious then it's invalid.

11:09:37 17 The case law that has been cited to me,  
11:09:39 18 including *Railroad Dynamics* case from the Federal  
11:09:44 19 Circuit and the *Connell versus Sears Roebuck* case from  
11:09:47 20 the Federal Circuit all indicate it is not error to  
11:09:50 21 submit the question of obviousness to a jury.

11:09:52 22 And of course, we will have appropriate  
11:09:54 23 instructions concerning the validity and the burden of  
11:09:58 24 proof on the party seeking to have a patent declared  
11:10:01 25 invalid and instructions of law concerning obviousness.

11:10:05 1 So for those reasons, the motion to strike  
11:10:07 2 jury demand will be denied.

11:10:09 3 Let's now take up the defendant's motion in  
11:10:15 4 limine.

11:10:34 5 MR. ALTHERR: May it please the Court, it's  
11:10:37 6 Robert Altherr on behalf of the defendant Free-Flow  
11:10:41 7 Packaging, Your Honor.

11:10:42 8 If I might, I have some handouts here which  
11:10:47 9 are part of our exhibits --

11:10:48 10 THE COURT: Okay.

11:10:49 11 MR. ALTHERR: -- that I'll be referring to.

11:10:51 12 THE COURT: I should say that I don't -- I  
11:10:53 13 hope that you all don't think that you need to argue 17  
11:10:59 14 motions in limine because I have -- you all have briefed  
11:11:04 15 it. And I have some idea about which way this train is  
11:11:06 16 headed. But let me help you some, I guess.

11:11:17 17 The motions that concern me that I want to  
11:11:23 18 hear more about would be seven and eight. Seven, eight,  
11:11:34 19 and nine, and one. But, there may be more you want to  
11:11:44 20 talk about.

11:11:46 21 MR. ALTHERR: Right, Your Honor. If I start  
11:11:49 22 with -- I will start with motion in limine number one,  
11:11:52 23 since that's one of the ones that you've indicated  
11:11:54 24 there, Your Honor.

11:11:54 25 THE COURT: Yes.

11:11:55 1 MR. ALTHERR: Our motion in limine is to  
11:11:57 2 exclude patent law experts from testifying in this case  
11:12:00 3 or alternatively to restrict their patent law patent,  
11:12:04 4 Mr. Pedgram from providing testimony on issues of  
11:12:08 5 invalidity or infringement.

11:12:10 6 THE COURT: What would a patent law expert  
11:12:11 7 tell the jury, that I think that the patent is invalid?

11:12:15 8 MR. ALTHERR: That's exactly what they want  
11:12:17 9 is to comment upon the merits of their invalidity and  
11:12:23 10 noninfringement defense, say that they were good  
11:12:25 11 defenses.

11:12:26 12 THE COURT: I've not seen a lawyer do that,  
11:12:28 13 have you, where a lawyer takes the stand and says, well,  
11:12:30 14 I think the patent is invalid? I think you all can  
11:12:33 15 argue that.

11:12:33 16 MR. ALTHERR: Your Honor, I've been  
11:12:34 17 practicing law for a long time. Back in the early days,  
11:12:37 18 they were allowed to do that. That -- recently no, Your  
11:12:40 19 Honor.

11:12:40 20 And as a matter of fact, the -- right on  
11:12:42 21 point is the *Sundance* case which we cited. That's a  
11:12:46 22 2008 Federal Circuit case where a legal expert attempted  
11:12:51 23 to testify on noninfringement invalidity, and they held  
11:12:56 24 it was an abuse of discretion to permit the legal expert  
11:13:00 25 to testify unless he was qualified as an expert in the

11:13:03 1 pertinent art.

11:13:04 2 That's not been done here in this case. The  
11:13:07 3 expert is merely a legal expert. He is not qualified to  
11:13:10 4 testify on the technical merits. They have a technical  
11:13:13 5 expert who is qualified to do that.

11:13:15 6 In particular, in their response, they  
11:13:18 7 stated that they want the legal expert to testify to  
11:13:22 8 such things as whether the accused machines draw film  
11:13:25 9 through a planar path. Well, that's exactly a technical  
11:13:29 10 issue.

11:13:30 11 Additionally, he had said that he was going  
11:13:31 12 to testify with regard to support for that claim of  
11:13:34 13 planar path which is something Your Honor has already  
11:13:36 14 decided in motions for summary judgment.

11:13:38 15 Further, they wanted him to testify on the  
11:13:40 16 issues about the longitudinal edge, what was originally  
11:13:44 17 claimed, how it was amended and distinguished over the  
11:13:47 18 prior art.

11:13:48 19 Once again, these are technical issues that  
11:13:50 20 their technical expert is addressing, has addressed in  
11:13:52 21 his own report. And now all they want to do is get  
11:13:57 22 attorney argument on the same issues.

11:14:00 23 Basically, in addition to this, it's an end  
11:14:03 24 run around the waiver of their attorney/client privilege  
11:14:08 25 with respect to any opinions upon which they relied



11:14:11 1 upon.

11:14:12 2 Our fourth motion in limine was the one to  
11:14:15 3 exclude any evidence of reliance of counsel with respect  
11:14:19 4 to the charge of willful infringement.

11:14:22 5 THE COURT: They didn't identify an opinion  
11:14:24 6 of counsel, didn't they?

11:14:25 7 MR. ALTHERR: They did not identify any  
11:14:27 8 opinions of counsel, that's correct, Your Honor, refused  
11:14:28 9 to disclose them.

11:14:29 10 They said they consulted counsel in the  
11:14:32 11 response to our interrogatory, but they refused to  
11:14:35 12 disclose any of those opinion. So we couldn't test them  
11:14:39 13 during discovery to see if they were reasonable and  
11:14:40 14 could be relied upon.

11:14:40 15 THE COURT: So, it can't be a defense if you  
11:14:42 16 didn't produce in discovery and subject to discovery?

11:14:44 17 MR. ALTHERR: That's correct, Your Honor.

11:14:45 18 THE COURT: Okay.

11:14:45 19 MR. ALTHERR: They should not be able to  
11:14:47 20 present those. But they're trying to end run that by  
11:14:50 21 using this legal expert that is going to come in and say  
11:14:52 22 how good their defenses are and so to say, yes, that  
11:14:57 23 they did have defenses to rely upon. And that's just  
11:15:00 24 not right.

11:15:00 25 He not only not qualified technically to

11:15:04 1 address these issues. They have a technical person.

11:15:08 2 But then there's also this end run around, like I said,

11:15:10 3 their refusal to waive the attorney/client privilege.

11:15:13 4 THE COURT: All right.

11:15:14 5 MR. ALTHERR: All right. With respect to

11:15:22 6 numbers seven, eight, and nine, Your Honor, probably the

11:15:28 7 best way would be to take number eight first.

11:15:30 8 THE COURT: Okay.

11:15:32 9 MR. ALTHERR: We have moved for a motion in

11:15:33 10 limine to preclude the experts in this case from

11:15:37 11 providing testimony beyond the scope of the reports

11:15:39 12 which they've submitted pursuant to the Federal Rules of

11:15:43 13 Civil Procedure 26(a).

11:15:44 14 The federal rules require the report with

11:15:46 15 all opinions and the basis and reasons for them and the

11:15:51 16 data considered. This type of a motion is standard in

11:15:53 17 these cases.

11:15:54 18 Courts routinely exclude opinions which were

11:15:57 19 not contained in the report because they're highly

11:15:59 20 prejudicial because you didn't have a chance to obtain

11:16:02 21 discovery of those opinions.

11:16:03 22 THE COURT: Is there some particular opinion

11:16:05 23 that you're focused on in this motion?

11:16:07 24 MR. ALTHERR: What's that?

11:16:08 25 THE COURT: Is there a particular item of

11:16:10 1 evidence that you're focused on in this motion or is it  
11:16:11 2 just a general you want a blanket pronouncement that  
11:16:14 3 statements that are not in the reports are not  
11:16:16 4 admissible?

11:16:17 5 MR. ALTHERR: Yes, Your Honor. We do  
11:16:18 6 definitely want a blanket pronouncements that the  
11:16:21 7 experts cannot render opinions outside their expert  
11:16:25 8 report.

11:16:25 9 But further, this ties in with number nine  
11:16:27 10 also, where as you see where their damages expert, Dr.  
11:16:31 11 Cornell, all right.

11:16:32 12 And as they indicated in their opposition,  
11:16:35 13 he put in his expert reports, he reserves the right to  
11:16:38 14 supplement his opinion based on proofs at trial.

11:16:41 15 Well, that's a little bit late to be  
11:16:43 16 changing his opinion. In Dr. Cornell's expert report,  
11:16:47 17 he's their damages expert --

11:16:48 18 THE COURT: He said the damages were zero or  
11:16:50 19 a hundred thousand dollars.

11:16:51 20 MR. ALTHERR: That's exactly right, Your  
11:16:53 21 Honor.

11:16:53 22 THE COURT: And he wants to do calculation  
11:16:54 23 based on what he hears in court.

11:16:56 24 MR. ALTHERR: And what he wants to do is --  
11:16:57 25 he didn't give his methodology for how he came up with

11:17:00 1 this, all right.

11:17:00 2 He wants to take evidence that some fact  
11:17:03 3 witnesses going to put in, all right, and then try to  
11:17:05 4 come up with a new calculation at court.

11:17:06 5 THE COURT: So he would do that while we're  
11:17:08 6 in trial?

11:17:09 7 MR. ALTHERR: That exactly --

11:17:10 8 THE COURT: And that's the first time you  
11:17:11 9 would hear about that?

11:17:11 10 MR. ALTHERR: That would be absolutely the  
11:17:13 11 first time we would hear about it, Your Honor.

11:17:14 12 THE COURT: Okay.

11:17:15 13 MR. ALTHERR: And so, it's definitely not  
11:17:17 14 fair. They did not put forward specific dollars before,  
11:17:19 15 so they should be stuck with the dollars he set forth in  
11:17:22 16 his report.

11:17:23 17 THE COURT: All right.

11:17:24 18 MR. ALTHERR: With regard to the motion in  
11:17:28 19 limine number seven, that goes to lay opinion testimony  
11:17:31 20 on the issues of infringement and validity.

11:17:34 21 Mr. Wetsch who is their vice-president in  
11:17:38 22 charge of product development was not designated in  
11:17:41 23 accordance with your scheduling order of designating  
11:17:44 24 experts as a person that would be providing expert  
11:17:47 25 testimony.

11:17:47 1 Therefore, he's limited to producing lay  
11:17:50 2 testimony, as opinion testimony.

11:17:52 3 And under Rule 701, lay testimony -- opinion  
11:17:58 4 testimony has to be rationally based upon perception and  
11:18:01 5 not scientific, technical or other specialized  
11:18:06 6 knowledge.

11:18:06 7 Well, an opinion on validity and  
11:18:10 8 infringement goes beyond lay testimony in that it does  
11:18:13 9 require scientific, technical knowledge. And therefore,  
11:18:15 10 since he wasn't identified as a witness -- and they do  
11:18:17 11 have a technical expert who they have identified who has  
11:18:20 12 given his opinions, this is merely duplicative also to  
11:18:25 13 permit him to go out and testify.

11:18:27 14 Additionally, we have the issue which ties  
11:18:29 15 back to our motion in limine about excluding defenses  
11:18:35 16 that were not planned or otherwise disclosed.

11:18:38 17 We have -- Mr. Wetsch could get in there and  
11:18:43 18 raise all type of noninfringement or invalidity offenses  
11:18:46 19 which have never been asserted in any pleadings, have  
11:18:49 20 never been responded to in our response to our  
11:18:51 21 interrogatories.

11:18:52 22 We have interrogatories number six and  
11:18:54 23 number eight. We specifically requested them to state  
11:18:58 24 what the basis was for their noninfringement contentions  
11:19:01 25 and all the facts that supported that and then also to

11:19:04 1 state what their invalidity positions were and the facts  
11:19:10 2 which supported those.

11:19:11 3 THE COURT: Well, let me ask you this. The  
11:19:12 4 opposition from Pregis says that Mr. Wetsch would  
11:19:19 5 address factual questions concerning differences between  
11:19:22 6 the claimed subject matter and prior art, the level of  
11:19:27 7 skill in the art.

11:19:28 8 Are those things fact or statements of  
11:19:30 9 opinion?

11:19:31 10 MR. ALTHERR: Those are opinion, Your Honor,  
11:19:32 11 because he has to compare the claims to the accused  
11:19:37 12 device, right, and that is his opinion.

11:19:39 13 Now, he can say how that accused device  
11:19:41 14 operates. That's a fact. I don't have any problem with  
11:19:43 15 him saying that. He can talk about the structure of the  
11:19:48 16 accused device. He just can't compare it to the claims.  
11:19:51 17 He can't compare the claims to prior art. That's  
11:19:54 18 opinion. That's the points that we're trying to stress  
11:19:56 19 that he should not be allowed to do, Your Honor.

11:19:59 20 THE COURT: All right.

11:20:03 21 MR. ALTHERR: I believe that takes care of  
11:20:05 22 seven, eight, nine and one.

11:20:06 23 I do have one I definitely wanted to address  
11:20:08 24 with you, Your Honor.

11:20:09 25 THE COURT: All right.

11:20:10 1 MR. ALTHERR: Actually, two other. The  
11:20:12 2 first -- the first one being the motion in limine number  
11:20:16 3 six to preclude test -- testimony regarding derivation  
11:20:21 4 defense, including the testimony of Pieter Aquarius.

11:20:24 5 All right. Your Honor, if -- what I handed  
11:20:27 6 you, this hand out, the first page of it is your  
11:20:31 7 scheduling order which you signed. And if I direct your  
11:20:36 8 attention down towards the bottom of it, the underlying  
11:20:39 9 portions and in particular, the end of the second line  
11:20:41 10 that's underlined where it says, "no person may testify  
11:20:44 11 whose identity being subject to disclosure or timely  
11:20:48 12 requested in discovery was not disclosed in time to be  
11:20:51 13 deposed or to permit the substance of his knowledge and  
11:20:54 14 opinions to be ascertained".

11:20:56 15 Now, if you go to the next page, Your Honor,  
11:21:00 16 this is Pregis's response to defendant's first set of  
11:21:04 17 interrogatories.

11:21:06 18 And, as you could see on the last page it  
11:21:09 19 shows you -- they gave us this response in August. We  
11:21:12 20 requested this information in July.

11:21:14 21 But, on interrogatory number 13, we  
11:21:17 22 requested that they identify each person that Pregis may  
11:21:21 23 call to testify as a fact or expert witness or to  
11:21:24 24 provide an affidavit of declaration of at any stage of  
11:21:26 25 this action and for each such person to state the

11:21:29 1 substance of the expected testimony, affidavit or  
11:21:31 2 declaration.

11:21:32 3 Their answer was they had not yet determined  
11:21:35 4 what fact or expert witnesses it may call to testify at  
11:21:38 5 trial.

11:21:38 6 The first time that we were advised that  
11:21:41 7 Mr. Aquarius was going to be a witness in this case was  
11:21:46 8 after the close of discovery.

11:21:48 9 For that reason alone, all his testimony  
11:21:51 10 should be stricken.

11:21:53 11 Further, as I told you, we had contention  
11:21:57 12 interrogatories to them, contention interrogatories  
11:21:59 13 number eight regarding identifying the complete factual  
11:22:02 14 basis for any contention the claims were invalid and  
11:22:05 15 including the contentions as to the level of skill and  
11:22:08 16 the facts underneath it. And then interrogatory number  
11:22:13 17 six on noninfringement was the same thing. They provide  
11:22:16 18 the contentions for noninfringement and all the facts  
11:22:19 19 underlying that.

11:22:20 20 They never identified Mr. Aquarius or any of  
11:22:23 21 his testimony or any of the things that they're  
11:22:25 22 asserting to that they subsequently have identified in  
11:22:30 23 deposition designations.

11:22:31 24 This is complete trial by ambush. It is a  
11:22:33 25 complete surprise. Had we known by this, that they were



11:22:35 1 going to do this way back, then we would have deposed  
11:22:39 2 Mr. Aquarius. He's not available. It's a week from  
11:22:42 3 trial and therefore all that testimony should be  
11:22:44 4 stricken.

11:22:44 5 Your Honor, I would also like to go into our  
11:22:52 6 motion in limine number five. And, this was that any  
11:23:00 7 invalidity, noninfringement nonenforceable patents not  
11:23:07 8 pled.

11:23:07 9 THE COURT: Let me ask you to focus here.  
11:23:09 10 It wasn't clear to me what you were trying to exclude.  
11:23:11 11 What are you trying to exclude?

11:23:11 12 MR. ALTHERR: All right. Your Honor --

11:23:12 13 THE COURT: When I say that, I mean, is  
11:23:14 14 there some specific testimony of a witness or evidence  
11:23:17 15 that you have in mind?

11:23:19 16 MR. ALTHERR: Yes, Your Honor. For example,  
11:23:24 17 in fact, I may have to ask for clarification.

11:23:26 18 One of the issues in our motion for summary  
11:23:28 19 judgment was whether or not there were intervening  
11:23:31 20 rights under Section 252. And, you issued an order on  
11:23:36 21 that which I have to ask you for a little bit of  
11:23:39 22 clarification. You said --

11:23:41 23 THE COURT: You said that there are no  
11:23:42 24 reissued patents, something about no reissued patents.

11:23:46 25 MR. ALTHERR: Yes, sir. What the Court said

11:23:47 1 was the Court denies HP's motion for summary judgment on  
11:23:51 2 the motion of whether 35 USC 252 precludes FPI from  
11:23:57 3 recovering damages for infringement of the Perkins '837  
11:23:58 4 patent before May 6, 2008 because this statute is  
11:24:02 5 irrelevant in this case, as none of the patents asserted  
11:24:05 6 here are reissued patent.

11:24:07 7 Now, that was a specific reason that we  
11:24:09 8 asked you to grant the motion. I just didn't know if it  
11:24:11 9 should be that the motion was granted, that 252 and  
11:24:15 10 intervening rights is not an issue in the case because  
11:24:19 11 there are no reissued patents in the case.

11:24:23 12 THE COURT: All right. I have to go back  
11:24:24 13 and revisit that. Thank you.

11:24:26 14 MR. ALTHERR: But, along that lines -- in  
11:24:28 15 their opposition for the very first time, they -- Pregis  
11:24:32 16 raised the defense of laches and also they said or  
11:24:37 17 other equitable defenses which they said would serve as  
11:24:40 18 the basis for intervening rights.

11:24:42 19 They had never pled those defenses. They  
11:24:44 20 were never otherwise raised during the discovery period.  
11:24:47 21 The first time we heard about it was long after the  
11:24:49 22 close of discovery when they opposed our motion for  
11:24:52 23 summary judgment.

11:24:52 24 So, based on that, that's one of the types  
11:24:55 25 of defenses that we were talking about, that they

11:24:59 1 shouldn't be able to raise them. And even if they could  
11:25:02 2 raise them, they shouldn't raise them to the jury  
11:25:05 3 because they're equitable concerns.

11:25:07 4 Other defenses that we were concerned with  
11:25:09 5 respect to motion in limine number five was that whether  
11:25:14 6 or not they were going to raise any other issues of  
11:25:16 7 prior art which they haven't already disclosed to us.

11:25:19 8 Their experts have set forth certain bases  
11:25:21 9 of prior art. They've identified six references in  
11:25:24 10 their motions for -- in their responses to  
11:25:27 11 interrogatories they've identified specific pieces of  
11:25:29 12 prior art. But then in their statement under the --  
11:25:33 13 required by the patent statute be submitted 30 days  
11:25:36 14 before trial, they cited prior art that includes every  
11:25:40 15 one of the patents that was cited in the prosecution  
11:25:44 16 history, all of the deposition testimony from the prior  
11:25:47 17 litigation that was involved.

11:25:48 18 And so I mean, potentially, there's all  
11:25:51 19 different kinds of prior art that they may be trying to  
11:25:54 20 bring in but we have never had the opportunity to take  
11:25:56 21 any discovery with respect to.

11:25:57 22 This derivation defense which I suggest are  
11:26:02 23 regard to Mr. Aquarius was one. Then they also  
11:26:06 24 suggested that you know, he would -- Mr. Aquarius's  
11:26:09 25 testimony would be a -- a defense to infringement saying

11:26:14 1 that they copied something that wasn't patented.

11:26:16 2 Well, they never raised that in response to  
11:26:18 3 their interrogatories at any time during discovery. And  
11:26:21 4 anticipation as opposed to obviousness, that's never  
11:26:24 5 been asserted.

11:26:25 6 And, so these are the things we're concerned  
11:26:27 7 that they are going to try to raise defenses which have  
11:26:30 8 never been subject to discovery. And we think that's  
11:26:33 9 improper. It's trial by ambush, and they should be  
11:26:36 10 precluded from being prevented to present that.

11:26:38 11 THE COURT: All right.

11:26:44 12 MR. ALTHERR: Your Honor, if I can just --

11:26:51 13 THE COURT: As I said, you don't have to  
11:26:53 14 argue every single one of these.

11:26:55 15 MR. ALTHERR: Well, it's just two others,  
11:26:57 16 the comparison with products, and that's very clear from  
11:27:01 17 the cases we've cited that there's no basis for --

11:27:05 18 THE COURT: Compare claims for an accused  
11:27:07 19 device -- compare claims with the accused device.

11:27:11 20 MR. ALTHERR: That's correct, Your Honor.

11:27:12 21 THE COURT: I understand that.

11:27:13 22 MR. ALTHERR: And then also the issue that  
11:27:14 23 they raised about Pregis's patent. Pregis cited a case  
11:27:17 24 which is the Zygo case saying that the existence of a  
11:27:20 25 patent is relevant determination of infringement.

11:27:23 1 That case if you read it, Your Honor, you'll  
11:27:25 2 see it's only with respect to infringement being  
11:27:27 3 asserted under the doctrine of equivalence saying that  
11:27:31 4 if the -- there was a patent issued on it and it wasn't  
11:27:35 5 obvious over the prior art, therefore it was a  
11:27:38 6 substantial difference. And substantial difference  
11:27:40 7 applies to doctrine of equivalence.

11:27:43 8 With respect to the '134 patent, the patent  
11:27:46 9 we're talking about here, there is no issue of doctrinal  
11:27:49 10 equivalence. We have asserted infringement literally by  
11:27:51 11 the 5000 and therefore, they should not be permitted to  
11:27:56 12 assert the fact that they got a patent or suggested it,  
11:27:59 13 avoids infringement.

11:28:02 14 And then, I guess the only other final thing  
11:28:05 15 they had, Your Honor, is for them not to suggest any  
11:28:09 16 other relief that plaintiff -- or that Free-Flow  
11:28:15 17 Packaging is seeking to the jury because that could lead  
11:28:18 18 the jury to decide to give an artificially low award as  
11:28:21 19 in may triple it, that or take other equitable  
11:28:24 20 considerations in mind.

11:28:25 21 And, that pretty well covers the ground  
11:28:28 22 work, Your Honor.

11:28:28 23 THE COURT: Thank you very much.

11:28:34 24 MR. DABNEY: Your Honor, let me start with  
11:28:42 25 their motion in limine number seven which has to do with

11:28:48 1 Tom Wetsch.

11:28:50 2 As Your Honor is aware, Mr. Wetsch is  
11:28:54 3 Pregis's vice-president of global product development.  
11:28:57 4 Mr. Wetsch was the company's 30(b)(6) designee on the  
11:29:03 5 issues of infringement and validity. Mr. Wetsch was  
11:29:07 6 deposed for a full day. There has been total disclosure  
11:29:11 7 of what Mr. Wetsch knows and he was actually --

11:29:13 8 THE COURT: So, is he being called as a fact  
11:29:15 9 witness or an expert witness?

11:29:17 10 MR. DABNEY: He is being called as a fact  
11:29:19 11 witness to the extent that he -- the distinction between  
11:29:23 12 opinion and fact is one that's a little slippery here.

11:29:28 13 THE COURT: We want to avoid any slippage.  
11:29:30 14 It seems to me that if you're asking him to compare the  
11:29:34 15 accused device with the claims, that would be an  
11:29:40 16 opinion, would it not?

11:29:41 17 MR. DABNEY: I assume that -- I don't  
11:29:44 18 believe that's necessarily correct because Your Honor's  
11:29:46 19 going to construe the claims and then the fact finder is  
11:29:49 20 going to be asked to decide whether or not the legal  
11:29:52 21 definition of the right as provided by the Court is or  
11:29:55 22 is not found in a particular product. So I would say  
11:29:57 23 that is not necessarily opinion testimony.

11:30:00 24 But, assuming for purposes of argument that  
11:30:02 25 it is, under Rule 26, Mr. Wetsch, if he is shown by his

11:30:08 1 testimony to be qualified and in the position to render  
11:30:14 2 expert testimony, there is nothing in Rule 26 that  
11:30:16 3 precludes an employee of the company from being an  
11:30:19 4 expert. It happens in trials all the time.

11:30:20 5 THE COURT: But experts are identified under  
11:30:22 6 Rule 26 and their detailed information about their  
11:30:27 7 opinions and the factual basis for it is also disclosed.

11:30:30 8 MR. DABNEY: Your Honor, that is only as to  
11:30:33 9 specially retained experts who are not otherwise  
11:30:37 10 employed by the company.

11:30:38 11 Rule 26 and those -- the experts who are  
11:30:41 12 subject to that Rule 26 have provided reports and  
11:30:43 13 there's absolute and total disclosure.

11:30:45 14 THE COURT: So your view is that Mr. Wetsch  
11:30:47 15 is being called to offer opinions.

11:30:50 16 MR. DABNEY: To the extent that his  
11:30:51 17 testimony is characterized as opinion testimony, we  
11:30:54 18 believe that we have made full disclosure of what he  
11:30:57 19 knows and had full opportunity to examine him. And to  
11:31:00 20 the extent under the rules of evidence he is qualified  
11:31:02 21 as an expert, that he's fully entitled to testify as  
11:31:06 22 such.

11:31:07 23 There's been absolutely no failure of  
11:31:09 24 disclosure of him, what he knows or any noncompliance  
11:31:13 25 with Rule 26. I don't understand.

11:31:16 1 I mean, this is a -- Mr. Wetsch, if he is  
11:31:19 2 shown to be competent, he should be permitted to testify  
11:31:21 3 in a manner that is compliant with the Federal Rules of  
11:31:25 4 Evidence.

11:31:25 5 THE COURT: Well, that's not telling me what  
11:31:26 6 you think he's going to testify to.

11:31:28 7 MR. DABNEY: Well, let me give you what's  
11:31:29 8 really going on here, Your Honor, because it relates  
11:31:32 9 to -- it relates to the damages question that's been  
11:31:35 10 brought up.

11:31:36 11 What happened in this case was that the  
11:31:41 12 defendant took the view that its -- the claims in its  
11:31:47 13 patent had a certain meaning, and that position was  
11:31:51 14 persisted in through the summary judgment, in the expert  
11:31:54 15 reports, in the deposition testimony and so on.

11:31:57 16 And in reliance on the defendant's  
11:32:01 17 characterization of its own claims, one of the things  
11:32:05 18 that Pregis has said from the beginning is these claims  
11:32:09 19 are not valuable because we don't need the subject  
11:32:13 20 matter that you say is your patented invention.

11:32:16 21 So one of the things that happened in this  
11:32:17 22 case is that Pregis built and timely disclosed to the  
11:32:21 23 other side a machine. And it's Pregis's position that  
11:32:26 24 this machine is a noninfringing machine. The defendant  
11:32:29 25 and their experts have inspected the machine, and this



11:32:34 1 machine will be proffered in evidence to show, among  
11:32:37 2 other things that a reasonable royalty in this case  
11:32:40 3 should be set very, very low because Pregis had  
11:32:44 4 noninfringing alternatives available to it at all times.

11:32:47 5 Now, the only person who is fully  
11:32:49 6 acknowledgeable about the machine and how long it took  
11:32:52 7 to make and what its performance is is Mr. Wetsch.

11:32:56 8 THE COURT: Well, the things you just said,  
11:32:57 9 how long it took to make, the decision to make it, the  
11:33:00 10 design of it are factual judgments that the  
11:33:02 11 vice-president for research could make.

11:33:04 12 But, if you ask him to compare the device  
11:33:09 13 with the claims, that would be the subject matter of  
11:33:15 14 expert testimony to me.

11:33:16 15 MR. DABNEY: Well, I'm not --

11:33:17 16 THE COURT: Because he's not an engineer.  
11:33:19 17 He's not a scientist, is he?

11:33:21 18 MR. DABNEY: Yes, he is. Yes, he is.

11:33:23 19 THE COURT: But he's not the person who  
11:33:24 20 actually created the machine, is he?

11:33:26 21 MR. DABNEY: He participated in the design  
11:33:27 22 of the machine directly under his supervision, yes.

11:33:29 23 THE COURT: I'm sure of that because he's  
11:33:31 24 the vice-president for research and development.

11:33:33 25 My question is his name is not Fuss, is it?

11:33:38 1 MR. DABNEY: No.

11:33:38 2 THE COURT: All right.

11:33:41 3 MR. DABNEY: So, what's going to happen then  
11:33:43 4 is, Your Honor is going to construe the claims. And so  
11:33:45 5 the jury and the parties are going to be provided with a  
11:33:47 6 definition of what the target is. And one of the  
11:33:50 7 questions that is going to be asked -- people are going  
11:33:53 8 to be asked is, is what Your Honor says is patented, is  
11:33:57 9 it found in this machine?

11:33:59 10 I don't know who would be more competent or  
11:34:01 11 qualified than Mr. Wetsch, for example, to answer that  
11:34:05 12 question, to the extent of his knowledge.

11:34:07 13 Now, he's of course, got to be subject to  
11:34:10 14 cross-examination. The defendant has seen this machine.  
11:34:12 15 And they can -- you know, I don't think there's any  
11:34:16 16 dispute. The defendant haven't argued that this machine  
11:34:18 17 is encompassed by its claims although we were thinking  
11:34:22 18 that this was why the jury instructions were written as  
11:34:24 19 they were. That's why we made the motion for claim  
11:34:27 20 construction because it seems like they were trying to  
11:34:29 21 make a last minute switch after they saw the revised  
11:34:32 22 machine.

11:34:32 23 But, what I believe this argument about  
11:34:34 24 Mr. Wetsch is going on is they want to prevent  
11:34:37 25 Mr. Wetsch from describing what he did and why he

11:34:42 1 believes. And there's been no contrary assertion from  
11:34:46 2 the other side that this machine that was made is not  
11:34:49 3 described by the claims as the other side has  
11:34:52 4 interpreted them.

11:34:52 5 So, there doesn't seem to be any dispute  
11:34:55 6 that Mr. Wetsch, if he were qualified by experience,  
11:34:59 7 training, skill in the art and training that he could  
11:35:03 8 qualify as a person skilled in the art and therefore a  
11:35:06 9 person to whom these claims are potentially addressed.  
11:35:10 10 So there's no question as to his competence. If he  
11:35:12 11 weren't competent, then of course, he couldn't address  
11:35:14 12 this.

11:35:14 13 There's no obligation in Rule 26 that  
11:35:16 14 company employees serve expert reports because they're  
11:35:20 15 outside the scope of Rule 26.

11:35:22 16 They had --

11:35:25 17 THE COURT: All right, well --

11:35:26 18 MR. ALTHERR: I don't think that there's any  
11:35:28 19 basis in the federal rules or in the rules of this Court  
11:35:31 20 for preventing a competent witness from entering either  
11:35:34 21 quote, "lay" unquote testimony or expert opinion  
11:35:39 22 testimony if he is, in fact, an expert.

11:35:40 23 THE COURT: Well, I think that it's very  
11:35:42 24 difficult for me to know in a vacuum without having read  
11:35:45 25 the deposition of what questions we ask that would fall

11:35:49 1 within the purview of offering legal opinions from this  
11:35:55 2 witness and whether it would qualified as lay opinion  
11:35:58 3 testimony. That's one of the difficulties I have with  
11:36:01 4 this particular motion. But, I understand your  
11:36:06 5 position.

11:36:06 6 Let me ask you to turn to the motion  
11:36:08 7 involving Mr. Aquarius. Was he identified?

11:36:12 8 MR. ALTHERR: Your Honor, he was not only  
11:36:14 9 identified, Mr. Aquarius was deposed in the earlier  
11:36:17 10 litigation between FP and Pactiv.

11:36:21 11 THE COURT: I'm sorry. My question was  
11:36:23 12 imprecise. Was he identified in response to discovery?

11:36:27 13 MR. ALTHERR: Was he identified in response  
11:36:29 14 to discovery? I -- I do not believe that in our  
11:36:36 15 interrogatory answers -- I'd have to go back and look.  
11:36:39 16 I do not believe his name was mentioned until after we  
11:36:42 17 deposed Mr. Graham with regard to his testimony.

11:36:44 18 THE COURT: And, was Mr. Aquarius identified  
11:36:49 19 before the discovery cutoff such that he could deposed?

11:36:53 20 MR. DABNEY: Certainly, and he was deposed.

11:36:56 21 THE COURT: All right.

11:36:56 22 MR. DABNEY: The position -- both sides in  
11:36:58 23 this case, both sides in the case, Your Honor, on the  
11:37:02 24 last day of discovery identified in their pretrial  
11:37:06 25 submissions -- this was like on November the 13th, both

11:37:09 1 sides identified deponents from the earlier case between  
11:37:17 2 Pactiv and Pregis.

11:37:18 3 Mr. Aquarius was named in a patent  
11:37:21 4 application that disclosed one of the machines which is  
11:37:24 5 the object of all of this knock-off testimony that  
11:37:27 6 they've brought up in this case.

11:37:29 7 And, we deposed Mr. Graham about him.  
11:37:32 8 There's no doubt about who Mr. Aquarius was. Mr.  
11:37:36 9 Aquarius was deposed and fully cross-examined by this  
11:37:39 10 company on this same issue in this case -- in the  
11:37:43 11 earlier case.

11:37:43 12 So the only thing that's coming in is the  
11:37:45 13 deposition transcript under Rule 804 that was taken in  
11:37:49 14 the Pactiv case.

11:37:51 15 Now --

11:37:52 16 THE COURT: What's in that deposition?

11:37:55 17 MR. DABNEY: What's in the deposition is the  
11:37:57 18 description of the fact that the -- the defendant in  
11:38:03 19 this case markets a machine in the United States that's  
11:38:08 20 known as the EZ1 machine. And there is a major dispute  
11:38:12 21 in this case over whether the EZ1 machine was, in fact,  
11:38:17 22 invented and is properly argued by them to embody the  
11:38:22 23 patented inventions of the Fuss and Perkins patents.

11:38:26 24 And, what Mr. Aquarius testified to and what  
11:38:30 25 we have in the record is that he was the owner of the

11:38:36 1 machine maker who actually designed and made the EZ1  
11:38:41 2 machine, that it was supplied to Free-Flow and that he  
11:38:44 3 was named as a coinventor with a Free-Flow employee of  
11:38:51 4 this machine.

11:38:52 5 And this was filed by Free-Flow with the  
11:38:56 6 patent office. And there was a litigation that was  
11:39:00 7 brought by Mr. Aquarius's company against Free-Flow  
11:39:04 8 because they contended that Free-Flow was taking credit  
11:39:10 9 for work that had been done by Mr. Aquarius. And so,  
11:39:14 10 there was a deposition taken in the earlier case in  
11:39:18 11 which Mr. Aquarius told how he had been the one who had  
11:39:23 12 been giving information to Free-Flow and that he  
11:39:29 13 objected when Free-Flow took out patents that were  
11:39:33 14 trying to cut him and his company out.

11:39:35 15 THE COURT: All right.

11:39:37 16 Let me do this. We're going to take about a  
11:39:41 17 ten-minute recess and we'll come right back. Thank you.

11:47:54 18 MR. DABNEY: Sure.

11:47:54 19 (Court recessed at 11:39 a.m. and reconvened  
11:50:39 20 at 11:50 a.m.)

11:50:39 21 THE CLERK: 09 civil 467 Pregis continued.

11:50:46 22 THE COURT: Mr. Dabney, I want to be clear.  
11:50:48 23 You were telling me that Mr. Aquarius was deposed in the  
11:50:53 24 prior litigation?

11:50:54 25 MR. DABNEY: That's correct.

11:50:55 1 THE COURT: And, that your identification of  
11:50:58 2 him as a witness in this case occurred at the time of  
11:51:03 3 the final pretrial conference when you exchanged witness  
11:51:06 4 list?

11:51:06 5 MR. DABNEY: I believe both sides identified  
11:51:09 6 deponents from the earlier litigation in I think around  
11:51:15 7 November 13th.

11:51:16 8 But during discovery, both sides had  
11:51:18 9 exchanged to one another the deposition transcripts that  
11:51:22 10 had been taken in that earlier case.

11:51:24 11 So it's not --

11:51:25 12 THE COURT: Well, where would Free-Flow know  
11:51:30 13 that your plan was to assert that this EZ1 device was  
11:51:39 14 invented by Mr. Aquarius and that somehow affected the  
11:51:45 15 issue of infringement in this case?

11:51:47 16 MR. DABNEY: They would know that because  
11:51:49 17 they asserted it in a patent application that Free-Flow  
11:51:53 18 filed with the patent office and that was the subject of  
11:51:55 19 the cross-examination of Mr. Graham which was another  
11:51:57 20 part of their motion.

11:51:57 21 THE COURT: So then you never told them that  
11:51:59 22 it was a part of your defense; is that right?

11:52:01 23 MR. DABNEY: No, that's not accurate at all,  
11:52:03 24 Your Honor.

11:52:03 25 THE COURT: Well, my question was very

11:52:05 1 precise. I asked you to identify where you told  
11:52:08 2 Free-Flow that it was your plan to assert a defense that  
11:52:13 3 Mr. Aquarius was the actual inventor and that somehow  
11:52:18 4 that testimony was going to bear on their defense of  
11:52:21 5 noninfringement in this case. When did you tell them  
11:52:26 6 that?

11:52:27 7 MR. DABNEY: We have denied their claim that  
11:52:32 8 this EZ1 machine is an embodiment of the Fuss patent.

11:52:39 9 We have maintained from the beginning that  
11:52:44 10 we denied infringement and that they were the first and  
11:52:47 11 original inventors.

11:52:48 12 The Aquarius testimony was the subject of  
11:52:52 13 cross-examination in the Pactiv case. Mr. Aquarius was  
11:52:57 14 named as an inventor in an application that described  
11:53:00 15 this machine. It was the subject of cross-examination  
11:53:03 16 of Mr. Graham.

11:53:05 17 THE COURT: Okay. So, the answer is no you  
11:53:07 18 didn't tell them in this case?

11:53:09 19 MR. DABNEY: I --

11:53:10 20 THE COURT: In response to -- contention  
11:53:13 21 interrogatories and in response to identifying  
11:53:15 22 individuals who have information about this case in your  
11:53:18 23 defense, you did not identify Mr. Aquarius in this case?  
11:53:21 24 That's correct, isn't it?

11:53:24 25 That can be answered yes or no.



11:53:27 1 MR. DABNEY: I'm reluctant to say flat yes  
11:53:31 2 or no but it is true that we did not supplement this  
11:53:34 3 particular interrogatory answer prior to our delivery of  
11:53:37 4 the witness list in this case which was --

11:53:40 5 THE COURT: Mr. Dabney, we're going to spend  
11:53:41 6 a lot of time together. And one of the things I'm  
11:53:44 7 counting on you to do is to answer my questions because  
11:53:46 8 it would help me and it helps the whole case move  
11:53:49 9 forward.

11:53:50 10 The question I asked you was very simple.  
11:53:51 11 You never identified Mr. Aquarius in response to a  
11:53:55 12 contention interrogatory or any other request for  
11:53:59 13 identification of witnesses before November 13th, 2009;  
11:54:02 14 is that correct?

11:54:03 15 MR. DABNEY: We did not identify Mr.  
11:54:11 16 Aquarius in the interrogatory answer that was --

11:54:14 17 THE COURT: Or anywhere else other than  
11:54:16 18 November 13, 2009.

11:54:18 19 MR. DABNEY: The -- it's hard for me to  
11:54:26 20 answer that, but I'll accept for purposes of today's  
11:54:29 21 ruling that the -- the specific statement that the  
11:54:38 22 deposition testimony of Mr. Aquarius was one -- was  
11:54:42 23 something that Pregis intended to read out in court was  
11:54:48 24 not specifically identified prior to about  
11:54:52 25 November 13th.

11:54:52 1 THE COURT: Okay.

11:54:53 2 MR. DABNEY: On November 13th, we told them.

11:54:55 3 THE COURT: With respect to the motion in  
11:54:58 4 limine number eight having to do with Mr. Cornell, the  
11:55:07 5 damages expert, my recollection of his report says the  
11:55:11 6 damages were zero or a hundred thousand dollars and that  
11:55:14 7 was it.

11:55:14 8 MR. DABNEY: No, that's not accurate, Your  
11:55:16 9 Honor.

11:55:16 10 THE COURT: Well, is it your view that he  
11:55:20 11 would be allowed to observe the trial and after hearing  
11:55:23 12 the various testimony of the FPI witnesses offer a  
11:55:31 13 calculation based upon what he heard in court in the  
11:55:34 14 trial? Is that what you're proposing to do?

11:55:36 15 MR. DABNEY: No, no.

11:55:43 16 THE COURT: Okay.

11:55:45 17 MR. DABNEY: What Mr. Cornell, what the --  
11:55:48 18 what the defendant position is which is the legal  
11:55:51 19 position, the legal framework is subject to issues like  
11:55:56 20 intervening rights is that a person in Pregis's position  
11:56:01 21 would not rationally pay more in royalties than it would  
11:56:05 22 have to pay to do something other than engage in the use  
11:56:09 23 of the patented subject matter.

11:56:12 24 Mr. Cornell in his report provided an  
11:56:16 25 extensive economic explanation for why Pregis would not

11:56:21 1 pay more in royalties than it would have to have pay to  
11:56:24 2 avoid infringement.

11:56:25 3 So, the point is there is a major dispute in  
11:56:28 4 this case which is one of the reasons of the objection  
11:56:32 5 of Mr. Wetsch with regard to whether or not Pregis has  
11:56:37 6 an inexpensive way of avoiding the patent.

11:56:40 7 So, all that an expert such as Mr. Cornell  
11:56:44 8 can do and all that their economic expert can do is to  
11:56:49 9 base their opinions on the actual economic data that is  
11:56:54 10 ultimately proved.

11:56:55 11 So that if the jury finds --

11:56:56 12 THE COURT: So, what you're telling me then  
11:56:58 13 is Mr. Cornell is not going to testify to anything more  
11:57:03 14 than things that have already been disclosed in this  
11:57:06 15 report or deposition?

11:57:06 16 MR. DABNEY: That's basically right.

11:57:08 17 THE COURT: Okay, all right.

11:57:09 18 MR. DABNEY: That's basically right.

11:57:10 19 THE COURT: Okay. Then that's not a  
11:57:12 20 problem.

11:57:12 21 MR. DABNEY: That's -- I think moots out  
11:57:14 22 that issue. He is providing the conceptional framework  
11:57:19 23 and then the actual proof of what the costs are is going  
11:57:22 24 to come in through Mr. Wetsch.

11:57:25 25 THE COURT: All right. I want to ask you

11:57:26 1 about this claim about commenting on absent witnesses.

11:57:32 2 What is it that you propose to do as it  
11:57:42 3 relates to the named inventors, and are you required to  
11:57:46 4 call named inventors in a patent infringement lawsuit?

11:57:53 5 That was two questions. The first was, what  
11:57:55 6 is it you propose to do with the two witnesses, about  
11:58:00 7 the absence of the inventor witnesses? And two, are you  
11:58:10 8 required to call inventors as witnesses in a patent  
11:58:14 9 infringement suit?

11:58:15 10 MR. DABNEY: Okay. The patents that are at  
11:58:19 11 issue in this case were applied for in 2005 and  
11:58:26 12 subsequent years.

11:58:29 13 There is deposition testimony that the  
11:58:32 14 individual who wrote the claims in the patents never  
11:58:37 15 talked to the inventors and never asked them whether  
11:58:40 16 they agreed that what he was now claiming was regarded  
11:58:45 17 by them as an invention.

11:58:47 18 One of the issues in this case has to do  
11:58:51 19 with the fact that these patents are coming out so late,  
11:58:55 20 and the patents are claiming subject matter that's very  
11:58:58 21 different than anything the named inventors ever said  
11:59:01 22 they regarded as an invention -- as an invention.

11:59:05 23 THE COURT: Well, has it been your  
11:59:06 24 experience in patent prosecution that the inventor  
11:59:09 25 himself or herself actually writes out the claims and

11:59:12 1 that they know how to write a claim that would survive  
11:59:16 2 prosecution in the patent office? Has that been your  
11:59:19 3 experience?

11:59:19 4 MR. DABNEY: No.

11:59:21 5 THE COURT: All right. That an attorney  
11:59:22 6 wrote a patent claim in and of itself is not significant  
11:59:24 7 of anything, is it?

11:59:25 8 MR. DABNEY: Not in and of itself, no. But  
11:59:28 9 here some of these patents claim subject matter that is  
11:59:30 10 very different than the only subject matter the  
11:59:34 11 applicants ever gave an oath and said that they regarded  
11:59:38 12 as an inventor, they believe they were the first and the  
11:59:41 13 original inventors of.

11:59:43 14 And so one of the problems here has to do  
11:59:46 15 with the fact that the -- there was never any oath filed  
11:59:53 16 in support of the claims being asserted.

11:59:56 17 Now, what happened here was way back in 1999  
12:00:00 18 or 2000, the inventors gave an oath that said I believe  
12:00:05 19 I'm the first and original inventor of the subject  
12:00:07 20 matter claimed in those applications.

12:00:10 21 And there's no claim in this case that  
12:00:13 22 Pregis has infringed those patents that they actually  
12:00:16 23 swore to.

12:00:17 24 Then seven, eight years later, the patent  
12:00:21 25 applications are filed that claim something very, very

12:00:25 1 different. And they never went back to the applicants  
12:00:27 2 and said do you agree that this different thing over  
12:00:30 3 here that we're claiming is regarded by you as an  
12:00:34 4 invention?

12:00:34 5 And, it -- for whatever it's worth it seems  
12:00:38 6 to me that if they do not call the named inventors in  
12:00:43 7 whose name they prosecuted these patents to say yes, you  
12:00:47 8 believe you were the first and original inventor not  
12:00:50 9 just of what I was claiming back then but this new  
12:00:53 10 stuff, it seems to me that is evidence or that is a fact  
12:00:57 11 that can reasonably be taken into account in considering  
12:01:02 12 whether or not the claim subject matter here really was  
12:01:07 13 regarded as an invention by the named inventors.

12:01:11 14 THE COURT: And so the inference you'd want  
12:01:13 15 the jury to adopt would be one that the 2005 amendment  
12:01:18 16 was false because the inventors themselves did not sign  
12:01:22 17 the oath of affirmation? And you want to argue that to  
12:01:25 18 the jury?

12:01:26 19 MR. DABNEY: We want to argue that the  
12:01:28 20 claimed subject matter is obvious and is trivial and  
12:01:32 21 that they would never have put their name to an  
12:01:36 22 application that recited such a trivial thing.

12:01:39 23 THE COURT: Well, how do you know that?  
12:01:41 24 Have you deposed the inventors? Did the inventors say  
12:01:44 25 that?

12:01:44 1 MR. DABNEY: The inventors were never asked  
12:01:46 2 if they thought this.

12:01:47 3 THE COURT: No, but you just gave me a  
12:01:49 4 declaration of what you thought the inventors thought.  
12:01:51 5 And so, that is just argument of counsel. You don't  
12:01:54 6 have any factual basis for that, do you?

12:01:56 7 MR. DABNEY: We have -- all we know is they  
12:01:59 8 were never asked.

12:01:59 9 THE COURT: Well, help me. How does this  
12:02:01 10 tend to prove or disprove the issue of infringement here  
12:02:06 11 if you don't know what the inventors thought or said?  
12:02:10 12 We don't know whether they were consulted or not by the  
12:02:17 13 absence of an oath or affirmation. We don't know. And  
12:02:20 14 no oath was submitted; is that right?

12:02:22 15 MR. DABNEY: Yes, we do. We most certainly  
12:02:24 16 do. I examined --

12:02:25 17 THE COURT: The lawyer did not talk to the  
12:02:27 18 inventors.

12:02:27 19 MR. DABNEY: That's absolutely right.

12:02:29 20 THE COURT: And the inventors never signed  
12:02:30 21 the oath of affirmation. But we don't know what the  
12:02:33 22 inventors themselves would say or would not say, do we?

12:02:37 23 MR. DABNEY: I guess a reasonable person  
12:02:42 24 could infer that if the inventors said I review my  
12:02:48 25 invention as this subject matter over here and then

12:02:51 1 seven or eight years later an application is made that  
12:02:54 2 the claimed invention is really this other thing very  
12:02:57 3 different over here, that they could infer that those  
12:03:02 4 applicants might not necessarily have agreed with that  
12:03:05 5 and that there was a reason why they didn't go back and  
12:03:08 6 get an oath from the inventors for the new subject  
12:03:10 7 matter.

12:03:12 8 THE COURT: I understand how you reach the  
12:03:14 9 inference. The difficulty I have is the absence of  
12:03:17 10 proof that there is something sinister about it. And I  
12:03:24 11 assume that the inventors if they are still alive are  
12:03:27 12 equally available to you; is that right?

12:03:29 13 MR. DABNEY: This is -- the issue here is --  
12:03:33 14 is whether or not the failure to call the inventors can  
12:03:38 15 be commented on --

12:03:40 16 THE COURT: I understand that.

12:03:40 17 MR. DABNEY: Yes.

12:03:41 18 THE COURT: I understand that.

12:03:42 19 MR. DABNEY: And it has been known to them  
12:03:43 20 from the beginning that the -- Mr. Pedgram's expert  
12:03:51 21 report and otherwise says that there's a serious  
12:03:55 22 disconnect between what was claimed in these later  
12:03:58 23 applications and the only think that the inventors ever  
12:04:00 24 said that they regarded as their invention.

12:04:01 25 And it may be that as a matter of patent



12:04:04 1 office practice you can just file a photocopy of the  
12:04:07 2 original affidavit and that will get you through the  
12:04:09 3 patent office.

12:04:09 4 But that begs the question. Every patent  
12:04:11 5 has to be supported by an oath that says I am the  
12:04:14 6 original and first inventor of the machine manufacture,  
12:04:18 7 improvements sought to be patented.

12:04:20 8 And, that was not done here. So --

12:04:24 9 THE COURT: All right.

12:04:26 10 MR. DABNEY: That's the point.

12:04:27 11 THE COURT: Okay. I've asked you the  
12:04:30 12 questions that I have.

12:04:31 13 MR. DABNEY: If I could just comment on a  
12:04:34 14 couple of the points that Mr. Altherr raised.

12:04:40 15 With regard to the patent that Pregis has  
12:04:49 16 gotten on this, we believe that the law entitles Pregis  
12:04:54 17 to put that in evidence as tending to show among other  
12:04:58 18 things that the accused machine is not equivalent to  
12:05:05 19 what they're claiming as their invention. I think the  
12:05:10 20 law entitles us to do that.

12:05:12 21 And the suggestion that there is no issue of  
12:05:14 22 equivalence in this case is not accurate. We believe  
12:05:16 23 that whether they bear the burden or we do under the  
12:05:19 24 reversed doctrine of equivalence it is relevant in this  
12:05:23 25 case whether or not the Pregis machines operate in

12:05:25 1 substantially the same way as any machines or systems  
12:05:28 2 that are disclosed in the patents in suit. So we do not  
12:05:31 3 agree --

12:05:31 4 THE COURT: But we're talking about a  
12:05:33 5 comparison of the '134 patent with the claims in the  
12:05:38 6 patents at issue in this case?

12:05:41 7 MR. DABNEY: No, we're talking about whether  
12:05:42 8 the -- the other side is taking the position, for  
12:05:47 9 example, that the Pregis machine contains an element in  
12:05:54 10 it that is described by the claim words, a sealing  
12:05:59 11 mechanism comprising a block that has a source of heat.

12:06:03 12 And, it is the defendant's contention that  
12:06:07 13 the claim words a block that has a source of heat  
12:06:14 14 describes a certain structure in one of the Pregis  
12:06:17 15 machines.

12:06:17 16 THE COURT: It says a pair of blocks I  
12:06:19 17 believe.

12:06:19 18 MR. DABNEY: A pair of blocks and at least  
12:06:21 19 one of the blocks has a source of heat.

12:06:23 20 THE COURT: Source of heat, correct.

12:06:24 21 MR. DABNEY: So, there are two questions  
12:06:26 22 that are raised by that. Number one is, would a person  
12:06:30 23 skilled in the art understand that that term in the  
12:06:35 24 context of that patent, would a person skilled in the  
12:06:38 25 art understand that as describing the structure that

12:06:41 1 they're pointing to in the Pregis machine.

12:06:43 2 That is by the way something that I believe  
12:06:45 3 the evidence in trial will show that Mr. Wetsch, among  
12:06:48 4 others, is fully competent to address.

12:06:52 5 But secondly, the next question that is  
12:06:55 6 recognized under Supreme Court as well as Federal  
12:06:59 7 Circuit precedent is, is the structure that they're  
12:07:02 8 saying in the Pregis machine, is that structure  
12:07:06 9 equivalent to what the claim language is pointing to in  
12:07:10 10 the Fuss patent?

12:07:11 11 And we would say that it is not and that the  
12:07:15 12 patent that was awarded to Pactiv now owned by Pregis  
12:07:20 13 tends to show that it operates in a substantially  
12:07:23 14 different way because the patent is specifically  
12:07:25 15 directed to an improved sealing mechanism that does  
12:07:29 16 operate in a substantially different way from anything  
12:07:31 17 that the Fuss patents teach a skilled artisan to do.

12:07:36 18 So, therefore the doctrine of equivalence is  
12:07:40 19 part of this case. The -- either it is because as a  
12:07:45 20 legal matter the proponent of a patent must prove at  
12:07:49 21 least that the accused subject matter is equivalent to  
12:07:53 22 something that is claimed or alternatively there's  
12:07:57 23 something in Federal Circuit called the reverse doctrine  
12:08:00 24 of equivalence that would say that Pregis can defeat  
12:08:04 25 liability even if a skilled artisan would say a block

12:08:07 1 that has a sort of heat is a phrase that crimes this  
12:08:10 2 nichrome wire that's in the Pregis machines or the  
12:08:14 3 support blocks that they're pointing to.

12:08:16 4 Even if that were true, if we succeeded in  
12:08:19 5 demonstrating that it operated in a substantially  
12:08:21 6 different way, then that would be an independent basis  
12:08:24 7 for finding noninfringement under what the Federal  
12:08:29 8 Circuit calls the reverse doctrine of equivalence, and  
12:08:32 9 the cell patent is certainly relevant to equivalence in  
12:08:38 10 that context.

12:08:39 11 THE COURT: All right.

12:08:40 12 MR. DABNEY: And so I don't think it would  
12:08:41 13 be correct to say a priori that the cell patent cannot  
12:08:45 14 be introduced in evidence for any purpose in this case.

12:08:48 15 The last thing I want to comment on is the  
12:08:50 16 use of Mr. Pedgram for the purpose was identified in  
12:08:56 17 our -- in our expert reports. There are basically two  
12:08:59 18 points.

12:08:59 19 And I should say, by the way, that based on  
12:09:01 20 Your Honor's summary judgment ruling a great number of  
12:09:03 21 the things that Mr. Pedgram might have testified to will  
12:09:07 22 not now be testified to.

12:09:08 23 If new matter is not an issue in this case  
12:09:11 24 any more, well then obviously there would be no call for  
12:09:14 25 introducing expert testimony with regard to new matter.

12:09:17 1 So, just lay to one side those subjects that are no  
12:09:22 2 longer in the case.

12:09:23 3 If you were to see the prosecution history  
12:09:24 4 of the Perkins patents in this case, Your Honor, they  
12:09:27 5 would be a stack of paper that would stand about two and  
12:09:32 6 a half feet high.

12:09:33 7 It involves multiple -- a lengthy chain of  
12:09:37 8 applications and understanding what's in them, we  
12:09:39 9 believe is best presented in question-and-answer format  
12:09:43 10 rather than having the lawyer stand up and just sort of  
12:09:45 11 read out what is in them.

12:09:48 12 So one of the things that Mr. Pedgram would  
12:09:51 13 be called upon to do would be simply to introduce and  
12:09:53 14 explain the factual contents to the extent they are  
12:09:57 15 relevant of the prosecution histories of those patents.  
12:10:00 16 And I don't think that there can be any serious  
12:10:03 17 objection to his being called and used for that purpose.

12:10:06 18 THE COURT: Well, help me with how you  
12:10:08 19 envision that would take place. Would it just be the  
12:10:12 20 stack of documents in front of him and then him  
12:10:14 21 describing the first application and the cover response  
12:10:18 22 back and forth with the patent examiner? How would it  
12:10:20 23 go?

12:10:20 24 MR. DABNEY: Well, let's take the example of  
12:10:24 25 planar, for example. We have an application filed

12:10:26 1 July 22, 2005. So that's going to come into evidence.  
12:10:28 2 That's an admission of the defendant. It filed. It has  
12:10:32 3 certain drawings. It has certain disclosures. It has  
12:10:36 4 certain claims. So that comes in.

12:10:37 5 I would expect that Mr. Pedgram would be a  
12:10:41 6 person through whom we could introduce that application.  
12:10:44 7 Then the next thing that happens is the application is  
12:10:48 8 rejected and that the claims are narrowed. And the  
12:10:51 9 narrowing and changing of the claims is something that  
12:10:54 10 again would be something that would be put in so that  
12:10:56 11 the jury would see the history as the patent application  
12:11:00 12 was modified through times and the prior art that was  
12:11:04 13 cited against it that the claims were amended to avoid  
12:11:07 14 so that in trying to understand what planar means, for  
12:11:11 15 example, you would see what was introduced into the  
12:11:13 16 application at a certain time and what was there  
12:11:15 17 originally.

12:11:16 18 So, part of understanding what planar means  
12:11:19 19 and that's one of the points Your Honor asked me about  
12:11:22 20 last Friday, we believe is elucidated very importantly  
12:11:27 21 by seeing that the patent originally said substantially  
12:11:31 22 planar. And then it was amended to have a new figure.

12:11:34 23 THE COURT: So, you'd have Mr. Pedgram  
12:11:37 24 telling the jury all these things?

12:11:39 25 MR. DABNEY: Well, just the -- just to -- to

12:11:43 1 put in evidence the actual transactional facts that are  
12:11:48 2 in the prosecution histories to the extent that they are  
12:11:51 3 both admissible and relevant to issues in the case.

12:11:54 4 And, I don't think that that is  
12:11:58 5 controversial. I think it would be helpful to  
12:12:01 6 everyone's understanding to have a competent, qualified  
12:12:05 7 experienced patent attorney to be the one to explain,  
12:12:08 8 for instance, remarks, amendments. You know, the  
12:12:12 9 nomenclature and the terms of art that are used in these  
12:12:16 10 documents, they're not going to be familiar to people  
12:12:18 11 who read them, continuation, continuation in part, those  
12:12:22 12 types of terms.

12:12:23 13 So, part of the noninfringement defense in  
12:12:26 14 this case will very definitely involve describing the  
12:12:28 15 long history, what the invention was allegedly started  
12:12:33 16 out being and how they seem to change their mind.

12:12:38 17 THE COURT: Well, figure 16 and 17 were  
12:12:40 18 included in the amendment, things like that?

12:12:42 19 MR. DABNEY: Things like that, that's right,  
12:12:43 20 that was not there originally. They added that.

12:12:45 21 THE COURT: Well, the concern I think has  
12:12:47 22 been raised is whether you need an expert to tell us  
12:12:50 23 that when the documents will speak for themselves.

12:12:53 24 Were you planning to have a chart of any  
12:12:55 25 kind?

12:12:55 1 MR. DABNEY: A chart?

12:12:56 2 THE COURT: A chart.

12:12:57 3 MR. DABNEY: Well, we're still working on  
12:13:00 4 our demonstratives, but I had not intended to use a  
12:13:03 5 chart to --

12:13:04 6 THE COURT: So, you will a lawyer talk to us  
12:13:06 7 for three hours about the prosecution history?

12:13:09 8 MR. DABNEY: I don't think it would be  
12:13:10 9 anywhere three hours, Your Honor.

12:13:11 10 THE COURT: But still you think the jury is  
12:13:13 11 going to pick up what continuation is, what an  
12:13:16 12 application is just by hearing somebody talk about it?

12:13:18 13 MR. DABNEY: No, the point of the testimony  
12:13:19 14 would be to show the sequence of events that resulted in  
12:13:23 15 the ultimate claims that are being asserted.

12:13:26 16 THE COURT: All right. Well, let me ask you  
12:13:27 17 this. If both sides were permitted to prepare a chart  
12:13:34 18 that outlined the pertinent documents that you thought  
12:13:37 19 were important from the prosecution history and the  
12:13:41 20 terms that you've identified, for example, the issue of  
12:13:44 21 substantially planar path was the actual application  
12:13:48 22 claim and then the precisely planar path came up and  
12:13:52 23 then finally they came back with planar path which later  
12:13:55 24 resulted in an allowance after some other litigation,  
12:13:59 25 wouldn't a chart demonstrating those things keyed to



12:14:03 1 documents be more helpful to a jury?

12:14:07 2 MR. DABNEY: It was my judgment, Your Honor,  
12:14:10 3 that understanding this would be very much assisted by  
12:14:14 4 explaining that this application was not allowed. And  
12:14:20 5 then they changed it and the reasons for it was this  
12:14:24 6 and --

12:14:24 7 THE COURT: When you say the reasons for it,  
12:14:26 8 you mean the reasons contained in the document.

12:14:28 9 MR. DABNEY: Stated in the documents, yes.

12:14:29 10 THE COURT: But not offering an opinion  
12:14:31 11 about what --

12:14:31 12 MR. DABNEY: No, no.

12:14:32 13 THE COURT: -- what the examiner did or did  
12:14:33 14 not do?

12:14:34 15 MR. DABNEY: Because I can tell you that  
12:14:36 16 I've been doing this for 20 years now. But, in my first  
12:14:39 17 year, this was dense stuff. And I really feel that it  
12:14:44 18 would be helpful to the jury to have these technical  
12:14:48 19 patent prosecution documents presented in this fashion.  
12:14:51 20 That's --

12:14:52 21 THE COURT: Well, I'm not familiar with  
12:14:55 22 having a lawyer take the stand and do that which is why  
12:14:58 23 I'm asking you all these questions.

12:14:59 24 MR. DABNEY: Okay.

12:15:00 25 THE COURT: Do you have any case or examples

12:15:02 1 you can give me of other courts where a lawyer has taken  
12:15:03 2 the stand in the last five years or so to testify about  
12:15:06 3 prosecution history and how it was --

12:15:08 4 MR. DABNEY: I'm confident that I could find  
12:15:11 5 such -- I've done it in my own cases. I didn't know  
12:15:14 6 this was going to be a controversial subject. But  
12:15:16 7 I'm --

12:15:17 8 THE COURT: You've had a lawyer take the  
12:15:18 9 stand and say --

12:15:19 10 MR. DABNEY: Yes.

12:15:19 11 THE COURT: -- this is what the document  
12:15:20 12 says; this document says that?

12:15:21 13 MR. DABNEY: Yes, and in fact, you know,  
12:15:24 14 when we get to the other -- the other issue that they've  
12:15:27 15 raised, it has also been routine in patent litigations  
12:15:31 16 where willfulness arguments, willfulness allegations are  
12:15:35 17 made to have, you know, opinion counsel or somebody get  
12:15:38 18 up and testify much more than that.

12:15:40 19 THE COURT: Well, you don't have opinion  
12:15:42 20 counsel in this case, do you?

12:15:43 21 MR. DABNEY: Well, depending -- I would say  
12:15:47 22 that that label has no intrinsic legal significance, but  
12:15:55 23 I would suggest -- remember, this was a suit that  
12:15:57 24 commenced before two of the patents even issued. And  
12:16:00 25 the claim made by Free-Flow --

12:16:01 1 THE COURT: Well, I understand that part of  
12:16:03 2 it.

12:16:03 3 MR. DABNEY: Yeah, yeah.

12:16:03 4 THE COURT: But, from the standpoint of  
12:16:05 5 legal opinion about the lawfulness of conduct and  
12:16:09 6 advising the client on rights and liability in  
12:16:13 7 connection to an invention, that's not in this case. We  
12:16:15 8 don't have any document like that. Nothing was  
12:16:17 9 identified. Nothing was produced. Is that right?

12:16:20 10 MR. DABNEY: I would respectfully disagree.  
12:16:23 11 Pregis has not waived the attorney/client privilege in  
12:16:26 12 this case. That is --

12:16:27 13 THE COURT: No, my question wasn't about  
12:16:29 14 waiver of attorney/client privilege. My question was  
12:16:32 15 whether or not you disclosed that Pregis had an opinion  
12:16:34 16 of counsel concerning these rights and liabilities with  
12:16:37 17 respect to the accused devices.

12:16:39 18 MR. DABNEY: I would say that the Pedgram  
12:16:41 19 expert report that was submitted in this case is  
12:16:45 20 perfectly described by what Your Honor just said.

12:16:47 21 They filed an expert report on October 19th  
12:16:52 22 that said we're violators of the law.

12:16:55 23 On October 29th, we provided the expert  
12:16:57 24 report of John Pedgram in which he expressed the opinion  
12:17:03 25 that under the objectively reckless standard, and this

12:17:07 1 is a new standard. It only came out in 2007 and it's  
12:17:11 2 objective, not subjective.

12:17:12 3 And under the objectively reckless standard  
12:17:14 4 it was his opinion that the conduct or position of  
12:17:19 5 Pregis in this case were not objectively reckless.

12:17:21 6 THE COURT: Okay.

12:17:22 7 MR. DABNEY: So, I don't know -- I've given  
12:17:24 8 quit a lot of thought to how a litigant deals with the  
12:17:29 9 *Seagate* objective recklessness standard other than in  
12:17:33 10 the way we're proposing to do here.

12:17:36 11 THE COURT: Is there any place in *Seagate*  
12:17:37 12 where it says that the lawyers should take the stand and  
12:17:40 13 offer the lawyer's position about the facts concerning  
12:17:43 14 objective recklessness?

12:17:45 15 MR. DABNEY: What *Seagate* --

12:17:46 16 THE COURT: My question is very precise. Is  
12:17:48 17 there any part of the *Seagate* opinion that you can cite  
12:17:51 18 me to that says a trial judge should let a lawyer take  
12:17:54 19 the stand and offer their opinion to the jury about  
12:17:57 20 objective recklessness?

12:17:57 21 MR. DABNEY: No, there is nothing in *Seagate*  
12:17:59 22 that says that.

12:17:59 23 THE COURT: Okay.

12:18:01 24 Mr. Dabney, I think I've asked you the  
12:18:02 25 questions that I have. I'm prepared to rule now.

12:18:04 1 Thank you.

12:18:05 2 MR. DABNEY: Thank you, Your Honor.

12:18:08 3 THE COURT: All right. This matter is  
12:18:09 4 before the Court on the motions in limine that were  
12:18:12 5 filed here by Free-Flow Packaging, the defendant. And  
12:18:17 6 it's called an omnibus motion in limine. There are 17  
12:18:24 7 motions before the Court.

12:18:25 8 The parties have briefed the matter, and  
12:18:26 9 I've had an opportunity to consider the briefs as well  
12:18:28 10 as the arguments.

12:18:29 11 With respect to motion in limine number one,  
12:18:32 12 excluding the testimony by patent law experts or to  
12:18:36 13 offer their opinions regarding invalidity or  
12:18:39 14 infringement concerning the merits of Pregis's  
12:18:42 15 invalidity or noninfringement defenses, I'm going to  
12:18:46 16 grant that motion because the testimony to me is not the  
12:18:51 17 proper subject matter of expert testimony.

12:18:53 18 The testimony of an attorney about his view  
12:18:55 19 of whether the patent is valid or invalid is not -- will  
12:19:00 20 not aid the trier of fact. And it is not properly  
12:19:05 21 encompassed within 702.

12:19:07 22 And I think that it would be -- the lawyers  
12:19:10 23 will have plenty of opportunity here at the end of the  
12:19:13 24 case to argue what their view is of what the facts are  
12:19:16 25 and what conclusions the jury should draw. We're not

12:19:18 1 going to have a lawyer take the stand to offer that  
12:19:22 2 testimony.

12:19:22 3 Now, there is some question about whether  
12:19:24 4 Mr. Pedgram could testify about the prosecution history.  
12:19:27 5 And I realize this is encompassed in another motion that  
12:19:30 6 is before me as well, but let me go ahead and take that  
12:19:32 7 issue on right now.

12:19:33 8 The prosecution issue documents come into  
12:19:36 9 evidence. I don't think there's any question about  
12:19:38 10 that. I think the law would allow the prosecution  
12:19:41 11 history to come into evidence. The documents should  
12:19:43 12 come in. I don't care if they're two feet tall or three  
12:19:47 13 feet tall, they're admitted.

12:19:48 14 Now, the question becomes what can the  
12:19:50 15 parties do with them and how can they presented it in a  
12:19:53 16 fashion that would help the jury?

12:19:55 17 And here it may be that if Mr. Pedgram or a  
12:19:58 18 witness for Pregis were to testify about their view of  
12:20:02 19 the prosecution history in terms of what pertinent facts  
12:20:06 20 are there, that actually might be helpful and it  
12:20:09 21 actually may streamline the trial.

12:20:12 22 And Federal Rule of Evidence 1006 allows the  
12:20:15 23 Court where there are voluminous writings which cannot  
12:20:17 24 be conveniently examined to be presented in a form of a  
12:20:21 25 chart or summary or calculation. And the originals have

12:20:24 1 to be made available for examination and copying by both  
12:20:28 2 parties.

12:20:28 3 It seems to me that I can and I will afford  
12:20:33 4 each side the opportunity to prepare a demonstrative  
12:20:38 5 that is not argumentative that points to the aspects of  
12:20:42 6 the prosecution history that each side believes bear on  
12:20:47 7 the issues in this case of invalidity.

12:20:49 8 And, you are to exchange them. I'm not  
12:20:53 9 going to require one side to include things that they  
12:20:55 10 don't want to include. Each side can have their own.  
12:20:58 11 And that would, I think, help the Court and help the  
12:21:01 12 jury as they're looking at this stack of documents to be  
12:21:05 13 able to compare each side's contention with the actual  
12:21:09 14 documents themselves.

12:21:10 15 With respect to the motion in limine number  
12:21:12 16 two, to exclude presentation of evidence regarding  
12:21:15 17 inequitable conduct, false statements or procedure  
12:21:18 18 irregularity before the PTO during prosecution of the  
12:21:22 19 FPI's suit -- patents in suit or testimony by patent  
12:21:26 20 expert on those issues, I'm going to grant the motion.

12:21:29 21 As far as I can tell, there is no issue  
12:21:32 22 here of inequitable conduct or false statements that has  
12:21:36 23 been identified and I -- I'm excluding it now to save us  
12:21:44 24 the time. And if there is something in particular that  
12:21:48 25 either side believes falls within the purview of this

12:21:51 1 ruling that you believe is somehow relevant, bring it to  
12:21:54 2 my attention before the witness is called at trial and  
12:21:56 3 I'll take it up then. But for right now, it's excluded.

12:22:00 4 As it relates to number three, whether the  
12:22:04 5 Court should preclude presentation of evidence or  
12:22:07 6 testimony regarding latches or other equitable defenses  
12:22:10 7 that Pregis failed to plead or identify during  
12:22:14 8 discovery, I'm going to grant the motion as it relates  
12:22:17 9 to latches or other equitable defense that have not been  
12:22:21 10 identified. Whatever they are, they should have been  
12:22:24 11 identified well before now.

12:22:25 12 And the difficulty that I have again is I  
12:22:31 13 don't know if there's something in particular that the  
12:22:36 14 moving party is trying to exclude. So, it seems to me  
12:22:42 15 that at this moment, that there is no latches defense  
12:22:48 16 that was asserted. So, the evidence of latches will be  
12:22:51 17 excluded.

12:22:51 18 Let me reserve on other equitable defenses  
12:22:54 19 because I don't -- I don't know this particular evidence  
12:22:56 20 has been identified. So I'm going to deny that aspect  
12:22:59 21 of other defenses without prejudice. That is to say  
12:23:01 22 that FPI's not identified a particular evidence.

12:23:05 23 And so, if there's something in particular  
12:23:07 24 that comes up that falls within the purview of equitable  
12:23:11 25 defenses, you have to tell me about it and I will



12:23:13 1 consider that objection at that time.

12:23:14 2           With respect to motion in limine number four  
12:23:17 3 to preclude Pregis from relying upon any opinion of  
12:23:20 4 counsel as a defense to willful infringement, it seems  
12:23:25 5 to me that no opinion of counsel is identified as a  
12:23:27 6 defense of willful infringement in discovery or in  
12:23:31 7 connection with contention interrogatories. No lawyer  
12:23:34 8 was deposed for Pregis. So that motion is granted.

12:23:40 9           And, it would also confuse the jury on the  
12:23:45 10 issue of willfulness if some witness were to come in and  
12:23:48 11 say, well, in my view, the acts here of Pregis were not  
12:23:52 12 willful.

12:23:53 13           With regard to motion in limine number five,  
12:23:59 14 offering -- preclude Pregis from offering evidence or  
12:24:04 15 testimony regarding any defense, including invalidity,  
12:24:07 16 noninfringement or unenforceability defense that Pregis  
12:24:09 17 did not plead or identify in interrogatory responses,  
12:24:12 18 I'm going to deny that motion because no specific  
12:24:14 19 evidence has been identified. And I'm unwilling to give  
12:24:17 20 some blanket exclusion without knowing just what I'm  
12:24:21 21 being asked to exclude.

12:24:22 22           With respect to motion in limine number six,  
12:24:24 23 to preclude Pregis from offering evidence or testimony  
12:24:28 24 regarding any derivation defense, and this has to do  
12:24:31 25 with Mr. Aquarius, I'm going to grant that motion.

12:24:34 1 Mr. Aquarius was not identified in response  
12:24:37 2 to contention interrogatories or otherwise in this case,  
12:24:43 3 until November 13, 2009. And at that point, Pregis was  
12:24:49 4 identifying his deposition from a prior litigation.

12:24:52 5 So I think that it was insufficiently  
12:24:54 6 disclosed, and so it will be excluded as it relates to  
12:24:59 7 Mr. Aquarius. And I do not think derivation is an issue  
12:25:05 8 in this case, so I'm granting that motion as well.

12:25:09 9 Number seven, preclude Pregis from offering  
12:25:13 10 any lay testimony on the issues of infringement and  
12:25:16 11 validity. This has to do with the testimony of  
12:25:19 12 Mr. Wetsch who apparently was deposed, is the  
12:25:23 13 vice-president for research and development and was  
12:25:26 14 involved with the development of the accused devices,  
12:25:30 15 accused devices and is very familiar from his background  
12:25:32 16 with the technical issues before the Court as well.

12:25:35 17 Given that he was deposed in this case, his  
12:25:41 18 identity has been known throughout, he was not required  
12:25:44 19 to provide a report under Rule 26. So, I will not --  
12:25:50 20 I'll deny motion in limine number seven to the extent it  
12:25:54 21 seeks to exclude Mr. Wetsch.

12:25:59 22 As it relates to any other witness  
12:26:01 23 testimony, you'll have to object at the time. I'm  
12:26:03 24 denying without prejudice as it relates to any other  
12:26:05 25 witness. But as it relates to Mr. Wetsch, he can

12:26:08 1 testify.

12:26:08 2 As it relates to number eight, preclude  
12:26:12 3 Pregis from introducing testimony through its experts  
12:26:16 4 beyond the scope of the 26(a)(2)(b) report, again, I  
12:26:23 5 don't know what opinions the moving party here is  
12:26:30 6 seeking to exclude. And so, I'm going to deny the  
12:26:35 7 motion without prejudice because I'm not going to make  
12:26:38 8 some blanket judgment without knowing what the  
12:26:41 9 particular testimony is.

12:26:43 10 Obviously, the written reports and  
12:26:46 11 deposition testimony would seem to be the boundaries of  
12:26:50 12 expert testimony. But, I'm not willing to make any  
12:26:54 13 judgment without some specific identification of  
12:26:58 14 evidence.

12:26:59 15 So, objections have to be made at trial. So  
12:27:01 16 the motion on number eight is denied without prejudice.

12:27:07 17 Number nine and that is whether to preclude  
12:27:11 18 Pregis from introducing testimony through its damage  
12:27:14 19 expert, Mr. Bradford Cornell regarding the appropriate  
12:27:17 20 amount of damages based upon the reasonable royalty  
12:27:20 21 analysis, I'm going to grant that motion to the extent  
12:27:26 22 that Mr. Cornell's attempt to offer alternative  
12:27:30 23 calculations derived from hearing testimony at trial the  
12:27:38 24 items exposed in his report or deposition testimony  
12:27:39 25 would be admissible.

12:27:41 1 As it relates to motion in limine number ten  
12:27:45 2 which has to do with precluding Pregis from inferring,  
12:27:49 3 suggesting or listing testimony that the fact that  
12:27:52 4 Pregis obtained its own patent on the AirSpeed 5000  
12:27:57 5 machine is evidence of noninfringement, it seems to me  
12:28:04 6 that the issue before the Court is whether the accused  
12:28:06 7 device contains all the elements of the claims or the  
12:28:13 8 patents in issue. That is not a matter of comparing  
12:28:17 9 machine to machine. It is a matter of comparing the  
12:28:20 10 patent in issue claimed with the accused devices which  
12:28:23 11 may be the AirSpeed 5000 or others.

12:28:26 12 I think that the fact that there is a patent  
12:28:31 13 from the '134 by -- held by Pregis is admissible. It is  
12:28:41 14 relevant, and it can be presented to the jury in  
12:28:49 15 response to claims of infringement. That is to say that  
12:28:53 16 as I understand it, the claim -- the issues here involve  
12:28:57 17 actual -- direct infringement or actual infringement and  
12:29:01 18 infringement of a doctrine of equivalence. And it seems  
12:29:03 19 to me that evidence of the accused device's origin, what  
12:29:11 20 it encompasses and all those things are subject to --  
12:29:16 21 proper matter of expert testimony and the fact that the  
12:29:19 22 '134 patent is relevant.

12:29:21 23 But again, Pregis cannot argue that the fact  
12:29:29 24 that they have a '134 ipso facto means that the AirSpeed  
12:29:35 25 5000 machine does not infringe.

12:29:38 1 Rather, Pregis can argue that the '134  
12:29:42 2 patent and that its accused machines to the extent they  
12:29:47 3 have testimony to support it are not encompassed within  
12:29:49 4 the claims in issue.

12:29:50 5 So, it's a comparison of claims with accused  
12:29:52 6 devices, not product to product.

12:29:54 7 With respect to motion in limine number  
12:29:58 8 eleven, the Court should precluded Pregis from offering  
12:30:05 9 any evidence or testimony that AirSpeed 5000 machine  
12:30:07 10 would infringe the '150 other than FPI's contention  
12:30:12 11 interrogatory response from the FPI Pactiv litigation.

12:30:20 12 I will grant the motion to preclude that  
12:30:30 13 under 402 and 403.

12:30:42 14 Motion in limine 12 has to do with preclude  
12:30:47 15 Pregis from offering any evidence or testimony regarding  
12:30:50 16 noninfringement based upon the comparison of accused  
12:30:53 17 Pregis products and any FPI products.

12:30:55 18 As I stated a moment ago, I'm granting that  
12:30:57 19 motion to the extent there's an attempt to compare  
12:31:00 20 device to device, accused Pregis products with any FPI  
12:31:08 21 products. That does not preclude Pregis from comparing  
12:31:12 22 the accused devices to FPI's patented claims.

12:31:14 23 With respect to motion in limine number 13,  
12:31:17 24 14, and 15, let me take up 13 and 14 together. I'm  
12:31:22 25 going to grant 14, that the objections will not be read

12:31:26 1 to the jury as unopposed.

12:31:28 2 With respect to 13 concerning evidence of  
12:31:32 3 testimony about Pregis's claim under the Administrative  
12:31:35 4 Procedure Act, that is also granted unopposed.

12:31:38 5 With respect to number 15 having to do with  
12:31:40 6 commenting, may Pregis comment on the failure of FPI to  
12:31:44 7 call the inventors or any other witnesses at trial, now  
12:31:48 8 that I've heard the description of what Pregis wants to  
12:31:50 9 do, the motion is denied.

12:31:53 10 I'm sorry -- the motion to preclude that is  
12:31:56 11 granted, and Pregis may not comment on FPI's failure to  
12:32:03 12 call the inventors as witnesses at trial because Pregis  
12:32:07 13 has no factual basis for the jury to draw any inference  
12:32:12 14 against FPI's failure to have the inventors sign an oath  
12:32:19 15 or affirmation the amendment to the patent application  
12:32:23 16 in 2005.

12:32:24 17 Now, whatever the facts are supporting that,  
12:32:26 18 you can certainly present those facts. And if the  
12:32:30 19 attorney testified that he did not talk to the inventors  
12:32:33 20 about the claims, you certainly can bring that up on  
12:32:36 21 cross-examination and in your argument. But, you can't  
12:32:39 22 argue that the failure to produce the witnesses somehow  
12:32:44 23 should result in drawing a negative inference against  
12:32:49 24 FPI.

12:32:50 25 As it relates to number 16, preclude Pregis

12:32:56 1 from making any reference to the motion in limine or  
12:32:59 2 objections FPI may make in deposition designations, that  
12:33:03 3 is granted as unopposed.

12:33:04 4 And 17, having to do with the motion to  
12:33:08 5 preclude Pregis from introducing arguments -- evidence  
12:33:11 6 relating to additional relief sought by FPI which I  
12:33:15 7 infer to be their claims for equitable relief like  
12:33:19 8 injunction, that motion is granted unopposed.

12:33:21 9 So that is the ruling of the Court on the  
12:33:23 10 motions in limine filed here by FPI.

12:33:30 11 Now, let's turn to Pregis's motions in  
12:33:37 12 limine regarding inadmissible evidence to the extent  
12:33:41 13 that there's more left. I'm going to let in the  
12:33:45 14 prosecution history. I've just told you all that.

12:33:48 15 So, what remains to be argued is the issue  
12:33:50 16 of knockoff or FPI -- FP knockoff, it seems to me.

12:34:22 17 Tell me how the testimony comes up and why  
12:34:24 18 it should be included.

12:34:25 19 MR. DABNEY: Well, I think one of the Your  
12:34:27 20 Honor's ruling that Your Honor just made actually bears  
12:34:30 21 on this issue.

12:34:33 22 The -- motion in limine number 12 that Your  
12:34:37 23 Honor's just ruled on, it's comparison, claim to product  
12:34:41 24 not product to product, from what we understand, before  
12:34:47 25 Pregis was formed when the Pactiv 5000 machine was

12:34:52 1 built, there was some of the people who were involved in  
12:34:55 2 that who apparently had obtained a sample of the  
12:34:59 3 Aquarius machine and had -- had -- and other third party  
12:35:06 4 machines. And a couple of the people involved  
12:35:10 5 apparently used the phrase knockoff or FP knockoff to  
12:35:17 6 describe what they were trying to make.

12:35:19 7 THE COURT: Who is they? And what was their  
12:35:22 8 responsibility in the company?

12:35:24 9 MR. DABNEY: The documents -- the evidence  
12:35:27 10 includes a handwriting note of somebody from Wisconsin  
12:35:32 11 by the name of Winiecki who was not deposed by them.  
12:35:37 12 And one of the people was a former marketing person at  
12:35:43 13 Pactiv by the name of Thomas Trauscht who was deposed.  
12:35:50 14 And one of the individual was a person by the name of  
12:35:52 15 Allen Box who is named as a coinventor on the patent  
12:35:57 16 that --

12:35:57 17 THE COURT: How is his last name spelled?

12:35:59 18 MR. DABNEY: I'm sorry.

12:36:00 19 THE COURT: How is his last name spelled?

12:36:02 20 MR. DABNEY: Box, B-O-X.

12:36:05 21 THE COURT: Okay. He listed as an inventor,  
12:36:06 22 you said?

12:36:07 23 MR. DABNEY: Yes, he is named coinventor of  
12:36:10 24 the Pregis patent.

12:36:10 25 And so, what happened in this case was



12:36:15 1 because there were in these handwritten notes of  
12:36:20 2 Mr. Winiecki, there was a reference to FP knockoffs.  
12:36:30 3 This became a phrase that was used in questions over and  
12:36:33 4 over again. And, what did you want to do with this FP  
12:36:37 5 knockoff, and was the FP knockoff this, and was the FP  
12:36:42 6 knockoff that.

12:36:43 7 And, it is Pregis's position that this  
12:36:47 8 phrase is slang. It has no well understood meaning  
12:36:55 9 that's relevant to this case, and it's very obviously  
12:36:59 10 being proffered.

12:37:00 11 There's only been one purpose -- one purpose  
12:37:04 12 identified by the other side for why the jury in this  
12:37:08 13 case involving patents in 2008 and 2009 should hear  
12:37:12 14 testimony from third parties that in 2002 and 2003 when  
12:37:18 15 they were working on the design of the Pactiv 5000  
12:37:24 16 machine, one or more of them said that what they were  
12:37:27 17 trying to make was an FP knockoff.

12:37:30 18 The argument that is made is that one of the  
12:37:37 19 secondary considerations of nonobviousness is copying.  
12:37:42 20 And we agree with that.

12:37:44 21 However, as Your Honor's ruling today makes  
12:37:47 22 clear, what's relevant in a case like this are the  
12:37:51 23 claims. And in order for copying to be probative of  
12:37:55 24 nonobviousness, the person who copied must have copied  
12:37:58 25 something that's claimed as an invention and have done

12:38:02 1 that instead of designing around the patent.

12:38:05 2 So, it stands to reason that if it was so  
12:38:07 3 obvious and so trivial, they would have done something  
12:38:10 4 else.

12:38:10 5 We say that this argument of theirs has  
12:38:15 6 enormous capacity to confuse and mislead because, number  
12:38:19 7 one, they're doing the exact thing they just persuaded  
12:38:22 8 Your Honor should not be done, which is to compare  
12:38:24 9 product and product rather than claim and accused  
12:38:27 10 subject matter, number one.

12:38:29 11 And, also, it occurred at a time six or more  
12:38:40 12 years before these patents issued. And so, therefore,  
12:38:42 13 it just does not have any tendency to show the  
12:38:46 14 nonobviousness of what's now being claimed.

12:38:49 15 I would say, also, that this testimony is  
12:38:52 16 itself highly ambiguous as to what even the speakers  
12:38:57 17 meant by FP knockoff. Because if you read the testimony  
12:39:01 18 of Mr. Trauscht which Free-Flow has put in, what the man  
12:39:04 19 said was, we were trying to build a machine that was  
12:39:10 20 compact, that was of a certain weight, that didn't have  
12:39:12 21 an external source of compressed air that would be a  
12:39:15 22 freestanding machine.

12:39:17 23 And so the term itself is not only slang and  
12:39:21 24 ambiguous, but as used by those witnesses at that time.  
12:39:24 25 It simply did not and could not have possibly have said

12:39:27 1 what we're trying to knockoff is the claimed invention  
12:39:31 2 that came into existence six or seven or eight years  
12:39:34 3 later.

12:39:34 4 So, we would respectfully submit that the  
12:39:37 5 people who made these utterances passing over all  
12:39:41 6 questions of admissibility as to the utterances of  
12:39:45 7 themselves, that characterization of what they were  
12:39:49 8 doing in 2002 and 2003 cannot be deemed relevant  
12:39:55 9 evidence of whether the subject matter that was claimed  
12:39:58 10 for the first time in 2008, 2009 --

12:40:02 11 THE COURT: Well, would the time be the time  
12:40:03 12 of the invention or the time it was -- the patent  
12:40:06 13 issued?

12:40:07 14 MR. DABNEY: The focus of obviousness is the  
12:40:11 15 claimed subject matter. Now, for legal -- it's very  
12:40:14 16 important to understand. It's a great question, Your  
12:40:16 17 Honor.

12:40:16 18 THE COURT: So, would you answer it first  
12:40:18 19 and then give me your explanation.

12:40:20 20 MR. DABNEY: Yes. It's time when the claim  
12:40:22 21 was made and allowed. And the reason for that is the  
12:40:28 22 following.

12:40:32 23 For prior art purposes, the statute says  
12:40:35 24 that a claim relates back to the earliest effective  
12:40:39 25 filing date. That's true.

12:40:40 1 But, if what you're arguing about is that  
12:40:44 2 something claimed much later is nonobvious subject  
12:40:48 3 matter when this claim is very different than anything  
12:40:51 4 existed before, well then, in terms of the logic that  
12:40:55 5 copying supports a conclusion of nonobviousness, you've  
12:40:59 6 got to be looking at the claim not the legal status of  
12:41:03 7 the claim. It's the claim itself.

12:41:05 8 So, in this case, if this claim had existed  
12:41:08 9 in 2002 and that was something to be avoided, if what  
12:41:13 10 had happened is that they had nevertheless infringed or  
12:41:18 11 copied that instead of doing something else, then that  
12:41:21 12 would be when that would apply.

12:41:23 13 But since these claims undeniably did not  
12:41:26 14 exist at that time and these claims as they say, Your  
12:41:29 15 Honor, has ruled, the summary judgment motions are  
12:41:31 16 different than what was claimed previously. It's just  
12:41:35 17 not logical to say because in 2002 some people in some  
12:41:40 18 handwritten notes to say common sense, we want to build  
12:41:42 19 an FP knockoff, in ambiguous term that that has some  
12:41:48 20 tendency and logic to show that subject matter that was  
12:41:50 21 claimed to be an invention for the first time in 2008  
12:41:54 22 and 2009 is not obvious subject matter.

12:41:56 23 THE COURT: Thank you.

12:41:57 24 MR. DABNEY: All right. So --

12:41:59 25 THE COURT: Thank you.

12:42:00 1 MR. DABNEY: Thank you.

12:42:05 2 MR. WRIGHT: Brad Wright, Your Honor.

12:42:07 3 First, let's be clear the term FP knockoff  
12:42:12 4 did not originate with the attorney who took the  
12:42:14 5 deposition.

12:42:14 6 The term FP knockoff appeared on a document  
12:42:17 7 that was produced during discovery and the deponent,  
12:42:24 8 Mr. Trauscht admitted that that term had been used by  
12:42:28 9 him and others during the development of a program whose  
12:42:30 10 purpose it was to analyze and emulate competitor  
12:42:30 11 products.

12:42:38 12 So the fact that our attorney started using  
12:42:39 13 it in questioning, it didn't originate with our  
12:42:42 14 attorney. It originated with the deponent himself. He  
12:42:45 15 was talking about his personal experience.

12:42:46 16 And let me just say we're have happy to  
12:42:48 17 stipulate. We have no intention of using this testimony  
12:42:51 18 to show willful infringement. We are, however, entitled  
12:42:54 19 to rely on the testimony to show nonobviousness.

12:42:58 20 The case law is quite clear on this and let  
12:43:00 21 me address Mr. Dabney's argument about the time of the  
12:43:03 22 invention.

12:43:04 23 We have cited in our papers the *Advanced*  
12:43:07 24 *Display Systems*, Federal Circuit case from 2000 and  
12:43:11 25 others that show that the relevant time for the copying

12:43:14 1 inquiry as it relates to nonobviousness is the time of  
12:43:18 2 the invention as it relates to the filing date of the  
12:43:21 3 patent.

12:43:22 4 The filing date of the patent here, Your  
12:43:24 5 Honor, has already ruled we're entitled to our priority  
12:43:27 6 claims going all the way back to 1999.

12:43:29 7 Mr. Dabney would apparently have you revisit  
12:43:32 8 that and set up a new set of timelines when every set of  
12:43:35 9 claim was first presented.

12:43:36 10 And according to Mr. Dabney, it's not  
12:43:38 11 sufficient to show copying of the product that was in  
12:43:41 12 existence, but you then have to -- we would have to  
12:43:44 13 establish copying of each patent that issued as time  
12:43:48 14 went by where the claims were different.

12:43:50 15 Well, that's simply not the case law, Your  
12:43:55 16 Honor. And so, we think it's clear.

12:43:56 17 As to the prejudice, Your Honor, the term FP  
12:43:58 18 knockoff, as I said, didn't originate with us. It  
12:44:02 19 originated with the deponent. The deponent was an  
12:44:05 20 employee of Pactiv at the time, a predecessor in  
12:44:09 21 interest. He continued to work for Pregis after that.  
12:44:11 22 He no longer works for Pregis.

12:44:13 23 We're not trying to attribute this to  
12:44:15 24 Pregis. What's relevant is the evidence of copying by  
12:44:17 25 others in the field.

12:44:18 1 And if you look at the Advanced Display --

12:44:21 2 THE COURT: Well, you're talking about a  
12:44:22 3 machine, the Pactiv 5000 Air Cushion machine, that was  
12:44:28 4 the subject matter of the other lawsuit; wasn't it?

12:44:31 5 MR. WRIGHT: Yes, that is correct.

12:44:34 6 THE COURT: But, in this case, we have  
12:44:35 7 something called the AirSpeed 5000.

12:44:38 8 MR. WRIGHT: Yes, it's the same device.  
12:44:40 9 They changed the name after Pregis took it over.

12:44:43 10 THE COURT: But the other lawsuit is  
12:44:44 11 resolved? That's done?

12:44:45 12 MR. WRIGHT: Yes, that's right.

12:44:46 13 THE COURT: So, why is this product in this  
12:44:47 14 case FP knockoff? Why would it apply to this case?

12:44:51 15 MR. WRIGHT: Well, it's evidence that shows  
12:44:52 16 that other people appreciated that the FP design which  
12:44:58 17 in this case was a prototype at the time. It was called  
12:45:01 18 the Cell-O EZ was recognized by others as worthy of  
12:45:07 19 copying.

12:45:07 20 And that tends to show that it would not  
12:45:09 21 have been obvious to produce this claimed invention.  
12:45:13 22 And the case law is very clear on that, and we have  
12:45:16 23 cited the *Advanced Display Systems*.

12:45:18 24 In that case, they relied --

12:45:19 25 THE COURT: Well, it's not uncommon for

12:45:22 1 competitors to examine other products on the marketplace  
12:45:25 2 and reverse engineer and try to see if they can improve  
12:45:28 3 upon the device. That's not uncommon.

12:45:30 4 MR. WRIGHT: You're absolutely right, Your  
12:45:31 5 Honor. But the fact that it goes beyond that. The use  
12:45:33 6 of the term knockoff implies they were trying to copy  
12:45:36 7 it.

12:45:36 8 And there's other testimony in here. Of  
12:45:36 9 course --

12:45:36 10 THE COURT: Well, I'm not so sure about  
12:45:38 11 that. I remember when computers came out in the 1980s,  
12:45:41 12 I think in 1983, I had my first computer on my desk. We  
12:45:45 13 called it an IBM clone, but it wasn't an IBM. It was  
12:45:49 14 just like an IBM. It had a hard drive and used MS DOS.  
12:45:54 15 You may be old enough to remember that, and we  
12:45:56 16 called them IBM clones. And that doesn't necessarily  
12:45:58 17 mean that they were infringing upon the IBM patents if  
12:46:01 18 it was a different device and it had some changes in it,  
12:46:04 19 does it?

12:46:05 20 MR. WRIGHT: No, Your Honor, but it's not  
12:46:07 21 necessarily to establish that they identically copied  
12:46:11 22 it.

12:46:11 23 THE COURT: No, I'm focused on the term and  
12:46:13 24 under 403 whether to allow it in or not.

12:46:16 25 And there are three things that stand out.



12:46:18 1 First we're talking about a different device. The  
12:46:23 2 timing of this issue is a problem. It seems to me that  
12:46:26 3 the other lawsuit has handled some of these issues  
12:46:30 4 involving these FP Pactiv device.

12:46:36 5 The term was used by a couple of marketing  
12:46:41 6 person -- what's Mr. Trauscht's title? What is his  
12:46:47 7 title?

12:46:48 8 MR. WRIGHT: I don't know what his title is  
12:46:49 9 but he was on the technical team designing the machine.  
12:46:52 10 So he's in the thick of it.

12:46:53 11 THE COURT: Right.

12:46:56 12 MR. WRIGHT: Your Honor, if I may, is it  
12:46:58 13 possible that perhaps a jury instruction that instructs  
12:47:02 14 the jury not to pay too much attention to the term might  
12:47:06 15 cure this problem.

12:47:07 16 The difficulty for us is because the witness  
12:47:09 17 started using the term and our attorney questioning him  
12:47:11 18 used the term, this is going to end up striking a lot of  
12:47:15 19 the evidence of copying from the case.

12:47:18 20 So, there's no other way to get this in  
12:47:20 21 because it's in the questions. So perhaps you can  
12:47:23 22 instruct the jury that the term FP knockoff by itself  
12:47:28 23 shouldn't take on too much significance. And now here  
12:47:30 24 we have the testimony about their program that's set up  
12:47:32 25 to examine competitors products and emulate those

12:47:36 1 products.

12:47:36 2 THE COURT: All right, thank you.

12:47:42 3 I'm going to grant the motion to exclude the  
12:47:45 4 term knockoff, FP knockoff, which in my view refers to  
12:47:50 5 this Pactiv 5000 Air Cushion machine.

12:47:53 6 It was the subject of prior litigation in  
12:47:56 7 the Free-Flow International -- Free-Flow Packaging  
12:47:58 8 International versus Pactiv Corporation case.

12:48:02 9 It's -- I think it creates confusion for the  
12:48:07 10 jury under 403, waste of time. I think that the  
12:48:10 11 substantive testimony of what devices Pregis used when  
12:48:15 12 they were developing their product to the extent it  
12:48:20 13 might be relevant to come in. But the term here is  
12:48:26 14 going to inject into the trial something that does not  
12:48:29 15 belong and will create confusion.

12:48:31 16 This case is not about the reference by  
12:48:35 17 three individuals to the terms knockoff. I don't think  
12:48:39 18 that it tends to prove an issue in this case in a way  
12:48:45 19 that does not lead to some confusion for the jury.

12:48:49 20 So, that aspect of the motion is granted.

12:48:51 21 Thank you.

12:48:57 22 I think I've covered those before me for the  
12:48:59 23 day.

12:49:03 24 MR. DABNEY: Your Honor, the only motion  
12:49:04 25 Your Honor has not specifically addressed had to do with

12:49:09 1 our motions in limine two and three. If I could address  
12:49:13 2 those briefly I think I could predict what Your Honor's  
12:49:16 3 ruling will be on it, but I'd like to at least address  
12:49:20 4 them briefly.

12:49:20 5 THE COURT: All right. Let me pull your  
12:49:23 6 motion back up in front of me.

12:49:39 7 This is the motion in limine to preclude  
12:49:42 8 inadmissible evidence?

12:49:44 9 MR. DABNEY: Yes, our motions two and three.  
12:49:46 10 Your Honor has ruled today that the prosecution history  
12:49:49 11 documents are going to come in, and we accept that  
12:49:52 12 ruling.

12:49:53 13 Our motion, though, was a much more narrowly  
12:49:57 14 focused motion than that. And it has to do with the  
12:50:00 15 extent to which -- we just went through arguing about  
12:50:03 16 commenting on what absent witnesses being present or  
12:50:08 17 absent would be allowed.

12:50:10 18 We're very concerned in this case based on  
12:50:13 19 the opposition papers that the trial of this case is  
12:50:17 20 going to include argument along the following lines.

12:50:23 21 The defendant wants to tell the jury that  
12:50:26 22 the patent office heard our arguments and rejected them  
12:50:31 23 and because of that, the jury should find in their  
12:50:34 24 favor. And we believe that this is improper on a number  
12:50:38 25 of grounds.

12:50:39 1 THE COURT: Well, you've outlined those in  
12:50:41 2 your --

12:50:41 3 MR. DABNEY: Yes.

12:50:42 4 THE COURT: -- papers. The PTO did not  
12:50:49 5 consider infringement.

12:50:50 6 MR. DABNEY: The PTO did not consider  
12:50:53 7 infringement, and the PTO also did not consider any  
12:50:56 8 testimony that's going to be received at this trial.

12:50:59 9 THE COURT: Right.

12:51:00 10 MR. DABNEY: And, it seems to me that what  
12:51:03 11 we have here, and this sort of goes into the motion to  
12:51:05 12 strike and all of that. And I fully understand Your  
12:51:09 13 Honor does not want to be the first in the nation, and I  
12:51:11 14 apologize if our arguments --

12:51:12 15 THE COURT: Well, novel arguments intrigue  
12:51:15 16 me and I've had cases where I was the first judge to  
12:51:18 17 declare a statute constitution, unconstitutional. I'm  
12:51:21 18 prepared to do it. I just want to make sure we're  
12:51:23 19 making a record of what you were doing.

12:51:25 20 MR. DABNEY: Yes, all right. So just let me  
12:51:26 21 try to explain where we're coming from on this.

12:51:29 22 THE COURT: Well, you just said that -- I  
12:51:30 23 understand your position. You're saying that Free-Flow  
12:51:35 24 cannot stand up and say the PTO has rejected these  
12:51:41 25 arguments and therefore Pregis infringes. I don't think

12:51:44 1 they're going to do that.

12:51:44 2 MR. DABNEY: Okay.

12:51:44 3 THE COURT: I think they know they can't do  
12:51:46 4 that. Otherwise there would be in necessity for a  
12:51:49 5 trial.

12:51:49 6 MR. DABNEY: That's right. But even if they  
12:51:51 7 can't say as we can't say we got a patent, ipso facto we  
12:51:57 8 don't infringe, what we're concerned about is -- and  
12:52:01 9 they state it better in their opposition than I could.  
12:52:05 10 They said on page four of their opposition to our motion  
12:52:08 11 in limine just -- I couldn't put it better in --

12:52:21 12 THE COURT: Again, only to show that PTO was  
12:52:23 13 aware of the arguments and rejected them?

12:52:25 14 MR. DABNEY: Yes. I think this sentence in  
12:52:27 15 the middle of the page is exactly the concern that we  
12:52:33 16 have because --

12:52:33 17 THE COURT: Okay.

12:52:34 18 MR. DABNEY: If -- if what happened here was  
12:52:37 19 that the patent office had rejected a claim and you went  
12:52:42 20 into district court and you introduced new evidence,  
12:52:44 21 it's very clear in those circumstances that the Court as  
12:52:49 22 to make de novo fact findings because the patent office  
12:52:54 23 didn't have the benefit of the evidence.

12:52:56 24 So, of course its determinations on the  
12:52:59 25 basis of a one-sided abbreviated presentation are simply

12:53:04 1 not -- they obviously can't be received as the  
12:53:08 2 equivalent of expert testimony in the trial.

12:53:10 3 It's just at that phrase of the proceeding,  
12:53:12 4 the patent office on the limited information it had  
12:53:15 5 available to it reached certain legal conclusions.

12:53:18 6 Now, what we have be asking Your Honor to do  
12:53:20 7 on the basis of a much more expanded record with the  
12:53:23 8 benefit of expert testimony and demonstrative and so on  
12:53:27 9 is to say, okay, now that the whole story has both  
12:53:30 10 sides. And for the first time a government official has  
12:53:32 11 been presented with a full story from both sides, we  
12:53:35 12 will ask that the Court make effectively de novo  
12:53:40 13 determinations on the basis of the expanded record.

12:53:42 14 In a jury trial, you have the problem that  
12:53:47 15 administrative agency review is essentially unfolding in  
12:53:52 16 the presence of the jury. And the question then  
12:53:54 17 naturally is, well how -- what is the evidentiary  
12:53:59 18 admissibility of the fact that someone in the patent  
12:54:02 19 office may or may not have made a statement or you could  
12:54:05 20 infer from what they did, that they did or did not think  
12:54:08 21 a certain thing.

12:54:09 22 And that, we believe, is a form of hearsay,  
12:54:14 23 that it should not be allowed to the defendant to say  
12:54:18 24 this reference clearly doesn't disclose a block because  
12:54:22 25 the patent office granted the patent. And this was of

12:54:26 1 record and therefore the patent office must have  
12:54:28 2 concluded that this reference doesn't disclose a block.

12:54:31 3 That's the kind of problem that we have.  
12:54:33 4 Even though there's no finding to that effect and we  
12:54:35 5 don't even know that that's the case.

12:54:36 6 THE COURT: Well, I think that the argument  
12:54:39 7 you just made could be made if there are facts to  
12:54:43 8 support it.

12:54:43 9 If the application or the response to it  
12:54:46 10 from counsel suggested that the examiner had before him  
12:54:51 11 or her the particular statement, that the fact that the  
12:54:59 12 patent claim as allowed is distinctive is a part of the  
12:55:02 13 prosecution evidence. That's going to come into  
12:55:04 14 evidence any way. It's just your bad view or  
12:55:06 15 characterization of it.

12:55:07 16 The jury instructions will tell the jury  
12:55:08 17 they have to consider the issues of infringement. And  
12:55:12 18 those instructions will encompass not only the burden of  
12:55:16 19 proof for invalidity but also the patent is presumed to  
12:55:20 20 be valid. Those are instructions that are given all the  
12:55:22 21 time.

12:55:22 22 MR. DABNEY: I agree, and I'm trying to just  
12:55:24 23 narrowly focused on I don't want to be confronted in the  
12:55:29 24 courtroom with a phantom of an individual who can't be  
12:55:33 25 seen, that I can't cross-examine, that I can't ask him,

12:55:35 1 well did you consider this, did you consider that, did  
12:55:38 2 you consider that.

12:55:38 3 THE COURT: I'm not worried about that. But  
12:55:40 4 let me hear from opposing counsel.

12:55:42 5 MR. DABNEY: Okay, thank you.

12:55:45 6 MR. WRIGHT: Your Honor, with all due  
12:55:47 7 respect, Mr. Dabney is confusing the question of  
12:55:49 8 admissibility with the question of the weight to be  
12:55:52 9 given to the evidence once it has been admitted.

12:55:54 10 As our brief points out, clearly, the PTO  
12:55:59 11 records fall within an exception to the hearsay rule.  
12:56:01 12 It's a public record under 803(8), and so the record  
12:56:05 13 comes in.

12:56:05 14 The question about what weight to be  
12:56:08 15 accorded to various statements that are in the record is  
12:56:10 16 completely separate inquiry. So the hearsay inquiry is  
12:56:14 17 over.

12:56:15 18 Fortunately the Federal Circuit has already  
12:56:17 19 given us some guidance on what weight should be given to  
12:56:20 20 the statements in the public record.

12:56:22 21 On page six of our opposition, we have a  
12:56:25 22 cite from the *Mendenhall* case of the Federal Circuit.  
12:56:29 23 This is what the jury instruction said in this case.  
12:56:34 24 "Because the deference to be given to the patent  
12:56:36 25 office's determination is related to the evidence it had



12:56:40 1 before you, you should consider the evidence presented  
12:56:41 2 to the patent office during the reissue application  
12:56:44 3 process. Compare it with the evidence you have heard in  
12:56:46 4 this case and then determine what weight to give to the  
12:56:49 5 patent office's determination".

12:56:51 6 So, the Federal Circuit has approved that  
12:56:55 7 instruction. And we think Your Honor can adopt similar  
12:56:59 8 instructions that can carefully guide the jury not to  
12:57:02 9 give undue weight to particular statements in the  
12:57:04 10 record.

12:57:05 11 By the same token, we're entitled to point  
12:57:09 12 to things in the record that tend to support our  
12:57:11 13 position, and Mr. Dabney can point to things in the  
12:57:14 14 record and his expert witness apparently is going to  
12:57:16 15 call in question things that were made. But we do have  
12:57:19 16 this presumption --

12:57:19 17 THE COURT: But, his point is that you can't  
12:57:22 18 argue to the jury that because the PTO determined to  
12:57:25 19 allow planar path and not substantially planar path that  
12:57:30 20 that demonstrates infringement and that, ladies and  
12:57:34 21 gentlemen, you need not consider all the other evidence  
12:57:37 22 being presented to you. That's what he's saying.

12:57:39 23 MR. WRIGHT: Absolutely, there was no  
12:57:41 24 question of infringement before the patent office.

12:57:43 25 And, with all due respect, this question of

12:57:46 1 planar path is a little bit of a --

12:57:48 2 THE COURT: I'm just using that as an  
12:57:51 3 example. What I'm trying to say is Mr. Dabney's concern  
12:57:56 4 is that you will waive around the documents and say we  
12:58:00 5 win because we have this document. And I don't think  
12:58:03 6 it's that simple.

12:58:04 7 I think that the case involves a  
12:58:06 8 presentation of whatever evidence both sides have here  
12:58:09 9 and the jury has to make its own judgment about  
12:58:12 10 infringement which nobody has ever decided before this  
12:58:14 11 case as far as I'm aware of.

12:58:15 12 MR. WRIGHT: In my view, the infringement  
12:58:17 13 issue is not even a question here. What they're really  
12:58:19 14 getting at is on the validity side.

12:58:22 15 They don't want us to be able to say the  
12:58:24 16 same patents that you're seeing in court today were  
12:58:28 17 already before the patent office and the patent office  
12:58:30 18 looked at them and decided to allow the patents. They  
12:58:32 19 don't want us to say that.

12:58:32 20 THE COURT: Oh, you can say that. I don't  
12:58:34 21 think there's any problem with your saying that. That's  
12:58:35 22 a fact.

12:58:36 23 The fact is the PTO did allow patents. That  
12:58:39 24 has nothing to do with whether or not it's valid or not.  
12:58:43 25 The validity of it is a judgment that still has to be

12:58:46 1 made based upon the evidence. And the patent is assumed  
12:58:48 2 to be valid.

12:58:49 3 And the burden of proof is on the person  
12:58:51 4 seeking to attack the patent by clear and convincing  
12:58:54 5 evidence to demonstrate that it is invalid on some  
12:58:57 6 ground recognized by statute.

12:58:59 7 So, I -- does that -- what you -- do you  
12:59:03 8 agree with what I just said?

12:59:05 9 MR. WRIGHT: Yes, I do agree with what you  
12:59:06 10 just said.

12:59:07 11 THE COURT: Okay.

12:59:07 12 MR. WRIGHT: I guess the only gloss to it I  
12:59:09 13 would add is we think we're entitled to point out to the  
12:59:13 14 jury that the prior art previously considered by the  
12:59:15 15 patent office is in court here again today and that  
12:59:18 16 helps our presumption of validity.

12:59:20 17 And that goes to the final question on the  
12:59:22 18 motion in limine which I don't think you've addressed  
12:59:24 19 yet and that is whether the jury can even be informed  
12:59:27 20 about the presumption of validity. Pregis has taken the  
12:59:31 21 motion that they cannot.

12:59:31 22 THE COURT: I just said that would get an  
12:59:33 23 instruction.

12:59:33 24 MR. WRIGHT: So that issue has been  
12:59:34 25 resolved.

12:59:35 1 THE COURT: Okay, thank you. All right.

12:59:37 2 I think where we are, Mr. Dabney, is that  
12:59:41 3 the prosecution record is going to be before the Court.

12:59:46 4 I've invited you all to make your own charts  
12:59:48 5 about it so the jury will be able to understand what  
12:59:50 6 your theory is, as long as the chart is keyed to the  
12:59:55 7 particular documents.

12:59:56 8 And I would invite you all to just submit  
12:59:57 9 one record so the citations are uniform. Use the bates  
13:00:01 10 number that you have on the prosecution history so the  
13:00:03 11 jury will be able to figure out just what you're  
13:00:06 12 referring to.

13:00:06 13 And, you all are free to argue, it seems to  
13:00:10 14 me, whatever was submitted to the PTO and what the PTO  
13:00:17 15 rendered as it relates to the various claims. But the  
13:00:24 16 jury's going to be instructed of their obligation to  
13:00:28 17 consider invalidity.

13:00:30 18 They will be instructed on presumption of  
13:00:32 19 validity of a patent. And they'll be instructed on  
13:00:37 20 infringement, actual and doctrine of equivalence.

13:00:42 21 And I expect you all to prepare instructions  
13:00:44 22 as I've given you direction to do so in the trial  
13:00:49 23 letter.

13:00:50 24 I think that now I've covered everything.  
13:00:52 25 All right. We're in recess.

13:00:54 1 MR. WRIGHT: Your Honor --

13:00:55 2 THE COURT: I'm sorry.

13:00:56 3 MR. WRIGHT: One final question. We're a  
13:00:58 4 little bit confused. Did you say that the patent law  
13:01:01 5 experts can or cannot testify? I know you said we could  
13:01:05 6 bring in some charts.

13:01:06 7 THE COURT: Yeah, somebody can come in and  
13:01:07 8 explain the charts and that person can be a lawyer.  
13:01:09 9 That's fine.

13:01:10 10 But they're not going to be characterizing  
13:01:12 11 it by saying well this -- that the PTO did this means  
13:01:17 12 that they rejected that, no, no.

13:01:19 13 MR. WRIGHT: And is the testimony limited to  
13:01:21 14 the demonstrative or can they go through the whole  
13:01:24 15 record?

13:01:24 16 THE COURT: Well, I thought the  
13:01:25 17 demonstrative would -- they would walk the person --  
13:01:29 18 walk the jury through the prosecution history from their  
13:01:31 19 point of view identifying the key facts of things they  
13:01:34 20 thought were important in the prosecution history --

13:01:36 21 MR. WRIGHT: Okay.

13:01:37 22 THE COURT: -- without characterizing it in  
13:01:39 23 an argumentative fashion.

13:01:40 24 MR. WRIGHT: Thank you. And then one final  
13:01:41 25 point. You did agree to revisit your ruling on the

13:01:44 1 252 --

13:01:45 2 THE COURT: I did. I have to look at the  
13:01:47 3 briefs. I can't do it here in court.

13:01:50 4 Thank you.

13:01:50 5 MR. WRIGHT: Thank you.

13:02:14 6 (Proceedings concluded at 1:02 p.m.)

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3 CERTIFICATE OF REPORTER  
4

5 I, Renecia Wilson, an official court  
6 reporter for the United State District Court of  
7 Virginia, Alexandria Division, do hereby certify that I  
8 reported by machine shorthand, in my official capacity,  
9 the proceedings had upon the motions in the case of  
10 Pregis Corporation vs. James J. Doll, et al.

11 I further certify that I was authorized and  
12 did report by stenotype the proceedings and evidence in  
13 said motions, and that the foregoing pages, numbered 1  
14 to 94, inclusive, constitute the official transcript of  
15 said proceedings as taken from my shorthand notes.

16 IN WITNESS WHEREOF, I have hereto  
17 subscribed my name this 26th day of January, 2010.

18  
19 /s/  
20 Renecia Wilson, RMR, CRR  
21 Official Court Reporter  
22  
23  
24  
25